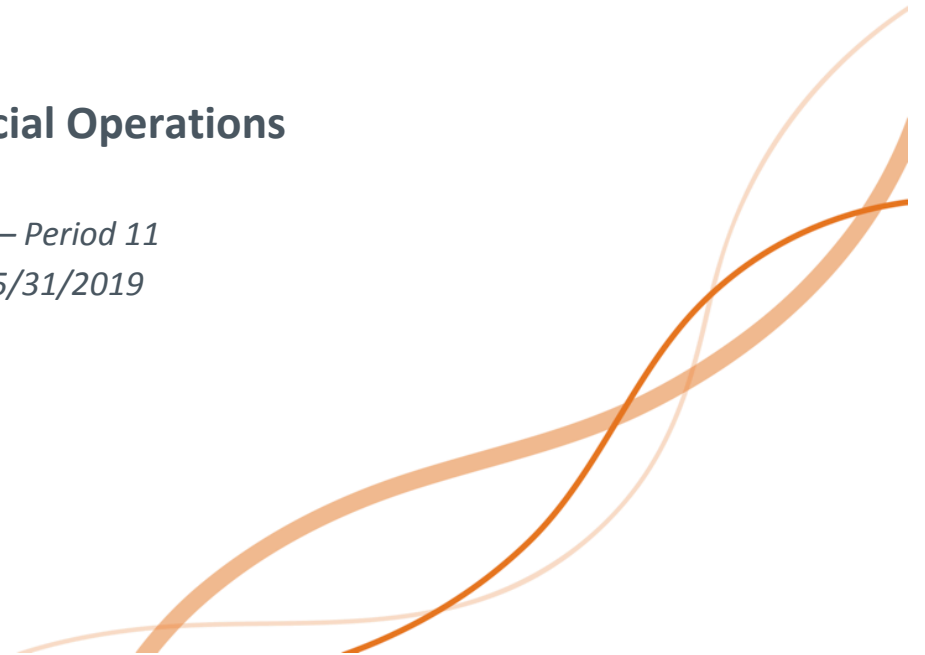




## Summary of Financial Operations

*Fiscal Year 2019 – Period 11  
7/1/2018 to 05/31/2019*



# Financial Overview

## Volume

### May

- May operating income is favorable to budget by 51.4% (\$4.7M) driven by favorable revenue 6.9% (\$5.7M) offset by unfavorable operating expense -1.4% (\$1.0M).
  - Mountain View operating income favorable by 104.1% (\$7.0M)
  - Los Gatos operating income unfavorable by -89.2% (-\$2.3M)
- May operating Income if favorable to prior year by 62.6% (\$5.4M)

### Year to Date

- YTD operating income is favorable to budget by 24.9% (\$23.6M) driven by favorable revenue 1.9% (\$16.3M) and favorable operating expense 0.9% (\$7.2M). Favorable revenue is partially due to \$18 million in unusual items and continued improvement to revenue cycle by lowering denials and underpayments.
  - Mountain View operating income favorable by 44.9% (\$33.1M)
  - Los Gatos operating income unfavorable by -45.2% (-\$9.5M)
- YTD operating income is unfavorable to prior year by 1.0% (\$1.2M)

### Payor Mix

- YTD, Commercial is 2.2 percentage points unfavorable

### Cost

- Prod FTEs were unfavorable to target for May by 1.5% and on target YTD.

## Dashboard - ECH combined as of May 31, 2019

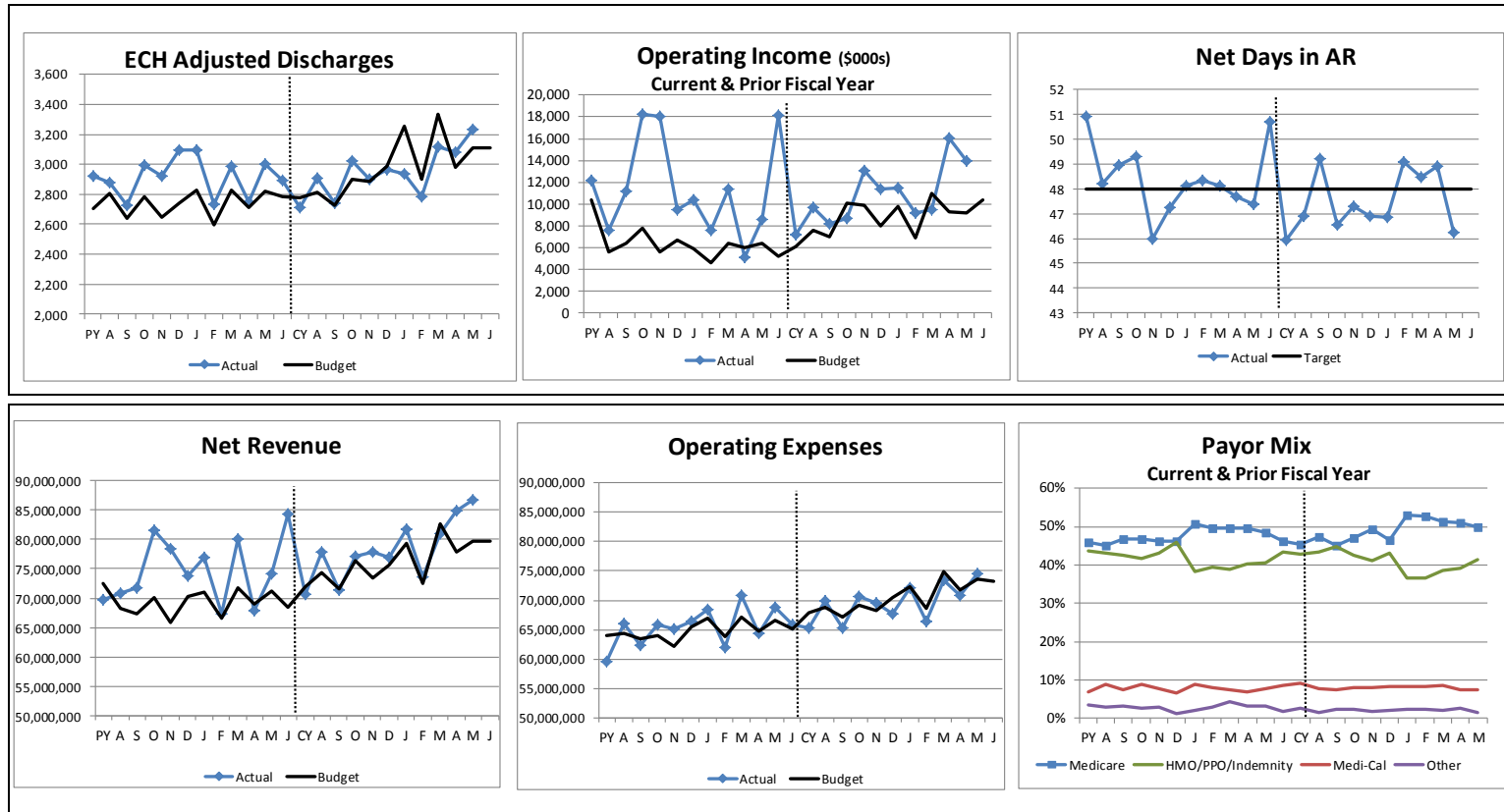
|   | Month   |         |            |                       | YTD     |         |            |                       |
|---|---------|---------|------------|-----------------------|---------|---------|------------|-----------------------|
|   | PY      | CY      | Bud/Target | Variance<br>CY vs Bud | PY      | CY      | Bud/Target | Variance<br>CY vs Bud |
| <b>Volume</b>                           |         |         |            |                       |         |         |            |                       |
| Licensed Beds                           | 443     | 443     | 443        | -                     | 443     | 443     | 443        | -                     |
| ADC                                     | 219     | 245     | 252        | (7)                   | 240     | 243     | 247        | (4)                   |
| Utilization MV                          | 60%     | 67%     | 70%        | -3%                   | 66%     | 67%     | 68%        | -1%                   |
| Utilization LG                          | 26%     | 32%     | 30%        | 1%                    | 30%     | 30%     | 30%        | 0%                    |
| Utilization Combined                    | 49%     | 55%     | 57%        | -2%                   | 54%     | 55%     | 56%        | -1%                   |
| Total Discharges (Excl NNB)             | 1,669   | 1,832   | 1,805      | 27                    | 18,646  | 18,460  | 19,032     | (572)                 |
| <b>Financial Perf.</b>                  |         |         |            |                       |         |         |            |                       |
| Total Operating Revenue                 | 77,398  | 88,563  | 82,761     | 5,802                 | 839,262 | 884,026 | 867,625    | 16,401                |
| Operating Income \$                     | 8,566   | 13,988  | 9,195      | 4,794                 | 119,715 | 118,573 | 94,913     | 23,660                |
| Operating Margin                        | 11.1%   | 15.8%   | 11.1%      | 4.7%                  | 14.3%   | 13.4%   | 10.9%      | 2.5%                  |
| EBIDA %                                 | 17.0%   | 20.9%   | 18.1%      | 2.8%                  | 20.3%   | 19.2%   | 17.3%      | 1.9%                  |
| <b>Payor Mix</b>                        |         |         |            |                       |         |         |            |                       |
| Medicare                                | 48.6%   | 49.8%   | 46.5%      | 3.3%                  | 47.7%   | 49.1%   | 46.6%      | 2.4%                  |
| Medi-Cal                                | 7.6%    | 7.4%    | 8.3%       | -0.9%                 | 7.7%    | 8.0%    | 7.9%       | 0.1%                  |
| Total Commercial                        | 41.1%   | 41.2%   | 42.6%      | -1.4%                 | 42.0%   | 40.6%   | 42.8%      | -2.2%                 |
| Other                                   | 2.6%    | 1.6%    | 2.7%       | -1.1%                 | 2.5%    | 2.3%    | 2.6%       | -0.3%                 |
| <b>Cost</b>                             |         |         |            |                       |         |         |            |                       |
| Total FTE                               | 2,564.2 | 2,737.3 | 2,739.4    | (2)                   | 2,578.2 | 2,675.4 | 2,703.2    | (28)                  |
| Productive Hrs/APD                      | 31.3    | 30.8    | 30.8       | 0                     | 30.3    | 30.6    | 31.3       | (1)                   |
| <b>Balance Sheet</b>                    |         |         |            |                       |         |         |            |                       |
| Net Days in AR                          | 50.7    | 46.3    | 48.0       | (2)                   | 50.7    | 46.3    | 48.0       | (1.7)                 |
| Days Cash                               | 505     | 495     | 449        | 46                    | 505     | 495     | 449        | 46                    |
| <b>Affiliates - Net Income (\$000s)</b> |         |         |            |                       |         |         |            |                       |
| Hosp                                    | 17,733  | (7,092) | 9,541      | (16,633)              | 172,204 | 120,613 | 99,384     | 21,229                |
| Concern                                 | (139)   | (475)   | 69         | (544)                 | 801     | 1,779   | 811        | 967                   |
| ECSC                                    | (30)    | (25)    | 0          | (25)                  | (91)    | (102)   | 0          | (102)                 |
| Foundation                              | 22      | (482)   | 61         | (543)                 | 1,738   | 2,074   | 1,251      | 823                   |
| SVMD                                    | 557     | 5,789   | 47         | 5,742                 | 1,397   | 8,272   | (31)       | 8,303                 |

# El Camino Hospital (\$000s)

Period ending 05/31/2019

| Period 11<br>FY 2018 | Period 11<br>FY 2019 | Period 11<br>Budget 2019 | Variance<br>Fav (Unfav) | Var%            | \$000s                               | YTD<br>FY 2018 | YTD<br>FY 2019 | YTD<br>Budget 2019 | Variance<br>Fav (Unfav) | Var%         |
|----------------------|----------------------|--------------------------|-------------------------|-----------------|--------------------------------------|----------------|----------------|--------------------|-------------------------|--------------|
| 277,853              | 309,755              | 310,951                  | (1,196)                 | (0.4%)          | <b>OPERATING REVENUE</b>             |                |                |                    |                         |              |
| (203,761)            | (223,067)            | (231,324)                | 8,256                   | 3.6%            | <b>Gross Revenue</b>                 | 3,027,371      | 3,237,768      | 3,247,107          | (9,339)                 | (0.3%)       |
| <b>74,092</b>        | <b>86,688</b>        | <b>79,627</b>            | <b>7,061</b>            | <b>8.9%</b>     | <b>Deductions</b>                    | (2,215,216)    | (2,378,016)    | (2,411,943)        | 33,927                  | 1.4%         |
| 3,305                | 1,875                | 3,134                    | (1,258)                 | (40.2%)         | <b>Net Patient Revenue</b>           | <b>812,155</b> | <b>859,752</b> | <b>835,164</b>     | <b>24,588</b>           | <b>2.9%</b>  |
| <b>77,398</b>        | <b>88,563</b>        | <b>82,761</b>            | <b>5,802</b>            | <b>7.0%</b>     | <b>Other Operating Revenue</b>       | 27,107         | 24,274         | 32,461             | (8,187)                 | (25.2%)      |
|                      |                      |                          |                         |                 | <b>Total Operating Revenue</b>       | <b>839,262</b> | <b>884,026</b> | <b>867,625</b>     | <b>16,401</b>           | <b>1.9%</b>  |
|                      |                      |                          |                         |                 | <b>OPERATING EXPENSE</b>             |                |                |                    |                         |              |
| 40,884               | 44,624               | 44,084                   | (540)                   | (1.2%)          | <b>Salaries &amp; Wages</b>          | 432,661        | 463,141        | 466,659            | 3,518                   | 0.8%         |
| 11,556               | 13,338               | 12,560                   | (778)                   | (6.2%)          | <b>Supplies</b>                      | 116,771        | 125,298        | 127,619            | 2,321                   | 1.8%         |
| 9,404                | 9,365                | 8,687                    | (677)                   | (7.8%)          | <b>Fees &amp; Purchased Services</b> | 94,299         | 98,936         | 96,957             | (1,979)                 | (2.0%)       |
| 2,368                | 2,708                | 2,459                    | (249)                   | (10.1%)         | <b>Other Operating Expense</b>       | 25,265         | 26,967         | 26,659             | (308)                   | (1.2%)       |
| 431                  | 189                  | 1,425                    | 1,236                   | 86.8%           | <b>Interest</b>                      | 5,290          | 3,871          | 6,261              | 2,390                   | 38.2%        |
| 4,189                | 4,352                | 4,351                    | (1)                     | (0.0%)          | <b>Depreciation</b>                  | 45,259         | 47,240         | 48,557             | 1,317                   | 2.7%         |
| <b>68,832</b>        | <b>74,575</b>        | <b>73,567</b>            | <b>(1,009)</b>          | <b>(1.4%)</b>   | <b>Total Operating Expense</b>       | <b>719,547</b> | <b>765,453</b> | <b>772,712</b>     | <b>7,259</b>            | <b>0.9%</b>  |
| <b>8,566</b>         | <b>13,988</b>        | <b>9,195</b>             | <b>4,794</b>            | <b>52.1%</b>    | <b>Net Operating Income/(Loss)</b>   | <b>119,715</b> | <b>118,573</b> | <b>94,913</b>      | <b>23,660</b>           | <b>24.9%</b> |
| 9,167                | (21,080)             | 346                      | (21,426)                | (6185.0%)       | <b>Non Operating Income</b>          | 52,489         | 2,040          | 4,471              | (2,431)                 | (54.4%)      |
| <b>17,733</b>        | <b>(7,092)</b>       | <b>9,541</b>             | <b>(16,633)</b>         | <b>(174.3%)</b> | <b>Net Income(Loss)</b>              | <b>172,204</b> | <b>120,613</b> | <b>99,384</b>      | <b>21,229</b>           | <b>21.4%</b> |
| 17.0%                | 20.9%                | 18.1%                    | 2.8%                    |                 | <b>EBITDA</b>                        | 20.3%          | 19.2%          | 17.3%              | 1.9%                    |              |
| 11.1%                | 15.8%                | 11.1%                    | 4.7%                    |                 | <b>Operating Margin</b>              | 14.3%          | 13.4%          | 10.9%              | 2.5%                    |              |
| 22.9%                | -8.0%                | 11.5%                    | (19.5%)                 |                 | <b>Net Margin</b>                    | 20.5%          | 13.6%          | 11.5%              | 2.2%                    |              |

# Monthly Financial Trends



## INVESTMENT SCORECARD AS OF MARCH 31, 2019

| Key Performance Indicator                 | Status | El Camino      | Benchmark                 | El Camino                  | Benchmark | El Camino                                 | Benchmark | FY19 Year End Budget | Expectation Per Asset Allocation |
|---|--------|----------------|---------------------------|----------------------------|-----------|---|-----------|----------------------|----------------------------------|
| <b>Investment Performance</b>             |        | <b>1Q 2019</b> |                           | <b>Fiscal Year-to-date</b> |           | <b>6y 5m Since Inception (annualized)</b> |           |                      | <b>2018</b>                      |
| Surplus cash balance*                     |        | \$999.8        | --                        | --                         | --        | --  | --        | \$891.1              | --                               |
| Surplus cash return                       |        | 6.7%           | 6.7%                      | 2.6%                       | 2.6%      | 5.4%                                      | 5.2%      | 3.2%                 | 5.3%                             |
| Cash balance plan balance (millions)      |        | \$270.6        | --                        | --                         | --        | --  | --        | \$276.9              | --                               |
| Cash balance plan return                  |        | 8.3%           | 7.7%                      | 2.9%                       | 2.7%      | 7.6%                                      | 6.8%      | 6.0%                 | 5.7%                             |
| 403(b) plan balance (millions)            |        | \$496.8        | --                        | --                         | --        | --  | --        | --                   | --                               |
| <b>Risk vs. Return</b>                    |        | <b>3-year</b>  |                           |                            |           | <b>6y 5m Since Inception (annualized)</b> |           |                      | <b>2018</b>                      |
| Surplus cash Sharpe ratio                 |        | 1.16           | 1.09                      | --                         | --        | 1.03                                      | 1.00      | --                   | 0.43                             |
| Net of fee return                         |        | 6.9%           | 6.3%                      | --                         | --        | 5.4%                                      | 5.2%      | --                   | 5.3%                             |
| Standard deviation                        |        | 4.8%           | 4.6%                      | --                         | --        | 4.7%                                      | 4.6%      | --                   | 6.7%                             |
| Cash balance Sharpe ratio                 |        | 1.18           | 1.08                      | --                         | --        | 1.14                                      | 1.07      | --                   | 0.40                             |
| Net of fee return                         |        | 8.3%           | 7.3%                      | --                         | --        | 7.6%                                      | 6.8%      | --                   | 5.7%                             |
| Standard deviation                        |        | 6.0%           | 5.5%                      | --                         | --        | 6.1%                                      | 5.8%      | --                   | 8.1%                             |
| <b>Asset Allocation</b>                   |        | <b>1Q 2019</b> |                           |                            |           |   |           |                      |                                  |
| Surplus cash absolute variances to target |        | 8.8%           | < 10%                     | --                         | --        | --  | --        | --                   | --                               |
| Cash balance absolute variances to target |        | 5.4%           | < 10%                     | --                         | --        | --  | --        | --                   | --                               |
| <b>Manager Compliance</b>                 |        | <b>1Q 2019</b> |                           |                            |           |   |           |                      |                                  |
| Surplus cash manager flags                |        | 22             | < 24 Green<br>< 30 Yellow | --                         | --        | --  | --        | --                   | --                               |
| Cash balance plan manager flags           |        | 27             | < 27 Green<br>< 34 Yellow | --                         | --        | --  | --        | --                   | --                               |

\*Excludes debt reserve funds (~\$105 mm), District assets (~\$38 mm), and balance sheet cash not in investable portfolio (~\$100 mm). Includes Foundation (~\$29 mm) and Concern (~\$14 mm) assets. Budget adds back in current Foundation and Concern assets and backs out current debt reserve funds.

# Balance Sheet

(in thousands)

|  | Audited          |                  |   | Audited          |                  |  |
|--|------------------|------------------|---|------------------|------------------|--|
|  | May 31, 2019     | June 30, 2018    |   | May 31, 2019     | June 30, 2018    |  |
| <b>ASSETS</b>                                |                  |                  |   |                  |                  |  |
| <b>CURRENT ASSETS</b>                        |                  |                  |   |                  |                  |  |
| Cash   | 110,404          | 118,992          | (5) Accounts Payable                          | 35,812           | 49,925           |  |
| Short Term Investments                       | 150,050          | 150,664          | Salaries and Related Liabilities              | 26,943           | 26,727           |  |
| Patient Accounts Receivable, net             | 126,974          | 124,427          | Accrued PTO                                   | 26,476           | 24,532           |  |
| Other Accounts and Notes Receivable          | 3,312            | 3,402            | Worker's Comp Reserve                         | 2,300            | 2,300            |  |
| Intercompany Receivables                     | 4,914            | 2,090            | Third Party Settlements                       | 12,041           | 10,068           |  |
| (1) Inventories and Prepaids                 | 81,454           | 75,594           | Intercompany Payables                         | 434              | 125              |  |
| <b>Total Current Assets</b>                  | <b>477,109</b>   | <b>475,171</b>   | Malpractice Reserves                          | 1,831            | 1,831            |  |
| <b>BOARD DESIGNATED ASSETS</b>               |                  |                  |   |                  |                  |  |
| Plant & Equipment Fund                       | 167,411          | 153,784          | (6) Bonds Payable - Current                   | 8,630            | 3,850            |  |
| (2) Women's Hospital Expansion               | 15,472           | 9,298            | (7) Bond Interest Payable                     | 7,814            | 12,975           |  |
| (3) Operational Reserve Fund                 | 139,057          | 127,908          | Other Liabilities                             | 8,509            | 8,909            |  |
| Community Benefit Fund                       | 17,990           | 18,675           | <b>Total Current Liabilities</b>              | <b>130,789</b>   | <b>141,242</b>   |  |
| Workers Compensation Reserve Fund            | 22,232           | 20,263           | <b>LONG TERM LIABILITIES</b>                  |                  |                  |  |
| Postretirement Health/Life Reserve Fund      | 29,762           | 29,212           | Post Retirement Benefits                      | 29,762           | 29,212           |  |
| PTO Liability Fund                           | 26,476           | 24,532           | Worker's Comp Reserve                         | 19,932           | 17,963           |  |
| Malpractice Reserve Fund                     | 1,831            | 1,831            | Other L/T Obligation (Asbestos)               | 3,965            | 3,859            |  |
| Catastrophic Reserves Fund                   | 18,331           | 18,322           | Other L/T Liabilities (IT/Medl Leases)        | -                | -                |  |
| <b>Total Board Designated Assets</b>         | <b>438,561</b>   | <b>403,826</b>   | (8) Bond Payable                              | 510,545          | 517,781          |  |
| <b>(4) FUNDS HELD BY TRUSTEE</b>             |                  |                  |   |                  |                  |  |
|  | <b>88,901</b>    | <b>197,620</b>   | <b>Total Long Term Liabilities</b>            | <b>564,204</b>   | <b>568,815</b>   |  |
| <b>LONG TERM INVESTMENTS</b>                 |                  |                  |   |                  |                  |  |
|  | <b>363,153</b>   | <b>345,684</b>   | <b>DEFERRED REVENUE-UNRESTRICTED</b>          |                  |                  |  |
| <b>INVESTMENTS IN AFFILIATES</b>             |                  |                  |   |                  |                  |  |
|  | <b>42,765</b>    | <b>32,412</b>    |   | 596              | 528              |  |
| <b>PROPERTY AND EQUIPMENT</b>                |                  |                  |   |                  |                  |  |
| Fixed Assets at Cost                         | 1,301,542        | 1,261,854        | <b>DEFERRED INFLOW OF RESOURCES</b>           |                  |                  |  |
| Less: Accumulated Depreciation               | (616,414)        | (577,959)        |   | 22,835           | 22,835           |  |
| Construction in Progress                     | 369,328          | 220,991          | <b>FUND BALANCE/CAPITAL ACCOUNTS</b>          |                  |                  |  |
| <b>Property, Plant &amp; Equipment - Net</b> | <b>1,054,456</b> | <b>904,886</b>   | Unrestricted                                  | 1,328,586        | 1,243,529        |  |
| <b>DEFERRED OUTFLOWS</b>                     |                  |                  |   |                  |                  |  |
|  | 20,626           | 21,177           | Board Designated                              | 438,561          | 403,825          |  |
| <b>RESTRICTED ASSETS - CASH</b>              |                  |                  |   |                  |                  |  |
|  | -                | 0                | Restricted                                    | -                | 0                |  |
| <b>TOTAL ASSETS</b>                          | <b>2,485,571</b> | <b>2,380,776</b> | (9) <b>Total Fund Bal &amp; Capital Accts</b> | <b>1,767,147</b> | <b>1,647,355</b> |  |
| <b>LIABILITIES AND FUND BALANCE</b>          |                  |                  |   |                  |                  |  |
| <b>CURRENT LIABILITIES</b>                   |                  |                  |   |                  |                  |  |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b>    |                  |                  |   |                  |                  |  |
|  | <b>2,485,571</b> | <b>2,380,776</b> |   | <b>2,485,571</b> | <b>2,380,776</b> |  |



## May 2019 El Camino Hospital Comparative Balance Sheet Variances and Footnotes

- (1) Increase due to quarterly pension contributions to the plan.
- (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 and semi-annual 2015/2017 bond payment
- (5) Decrease is due to the yearend accruals that were paid out in July and August 2018.
- (6) The increase is due to recognition of the first 2017 principal bond payment that will be in February 2020.
- (7) Semi-annual bond payments of interest and principal were made on the 2015A and 2017 Bonds in February.
- (8) Decrease is due to the establishment of FY2020 2015A and 2017 Bond Principal Payable moving to current bond payables.
- (9) 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.



## 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 05/31/2019

| Period 11<br>FY 2018 | Period 11<br>FY 2019 | Period 11<br>Budget 2019 | Variance<br>Fav (Unfav) | Var%            | \$000s                               | YTD<br>FY 2018 | YTD<br>FY 2019 | YTD<br>Budget 2019 | Variance<br>Fav (Unfav) | Var%         |
|----------------------|----------------------|--------------------------|-------------------------|-----------------|--------------------------------------|----------------|----------------|--------------------|-------------------------|--------------|
| 227,364              | 251,681              | 249,373                  | 2,308                   | 0.9%            | <b>OPERATING REVENUE</b>             |                |                |                    |                         |              |
| (167,004)            | (178,923)            | (185,951)                | 7,028                   | 3.8%            | <b>Gross Revenue</b>                 | 2,483,199      | 2,657,054      | 2,635,811          | 21,243                  | 0.8%         |
| <b>60,361</b>        | <b>72,757</b>        | <b>63,422</b>            | <b>9,335</b>            | <b>14.7%</b>    | <b>Deductions</b>                    | (1,814,077)    | (1,947,365)    | (1,961,916)        | 14,551                  | 0.7%         |
| 3,084                | 1,492                | 2,893                    | (1,401)                 | (48.4%)         | <b>Net Patient Revenue</b>           | <b>669,122</b> | <b>709,689</b> | <b>673,895</b>     | <b>35,794</b>           | <b>5.3%</b>  |
| <b>63,444</b>        | <b>74,250</b>        | <b>66,316</b>            | <b>7,934</b>            | <b>12.0%</b>    | <b>Other Operating Revenue</b>       | 25,071         | 20,778         | 29,822             | (9,044)                 | (30.3%)      |
|                      |                      |                          |                         |                 | <b>Total Operating Revenue</b>       | <b>694,193</b> | <b>730,467</b> | <b>703,717</b>     | <b>26,750</b>           | <b>3.8%</b>  |
|                      |                      |                          |                         |                 | <b>OPERATING EXPENSE</b>             |                |                |                    |                         |              |
| 34,026               | 36,981               | 36,683                   | (298)                   | (0.8%)          | <b>Salaries &amp; Wages</b>          | 360,079        | 385,747        | 388,946            | 3,199                   | 0.8%         |
| 9,573                | 11,012               | 9,711                    | (1,301)                 | (13.4%)         | <b>Supplies</b>                      | 95,287         | 102,503        | 102,458            | (46)                    | (0.0%)       |
| 7,962                | 7,808                | 7,326                    | (482)                   | (6.6%)          | <b>Fees &amp; Purchased Services</b> | 79,538         | 82,966         | 82,145             | (822)                   | (1.0%)       |
| 831                  | 1,005                | 862                      | (142)                   | (16.5%)         | <b>Other Operating Expense</b>       | 8,135          | 9,654          | 9,687              | 33                      | 0.3%         |
| 431                  | 189                  | 1,425                    | 1,236                   | 86.8%           | <b>Interest</b>                      | 5,290          | 3,871          | 6,261              | 2,390                   | 38.2%        |
| 3,496                | 3,537                | 3,619                    | 82                      | 2.3%            | <b>Depreciation</b>                  | 38,466         | 38,722         | 40,410             | 1,688                   | 4.2%         |
| <b>56,318</b>        | <b>60,532</b>        | <b>59,627</b>            | <b>(905)</b>            | <b>(1.5%)</b>   | <b>Total Operating Expense</b>       | <b>586,795</b> | <b>623,464</b> | <b>629,907</b>     | <b>6,444</b>            | <b>1.0%</b>  |
| <b>7,127</b>         | <b>13,717</b>        | <b>6,689</b>             | <b>7,029</b>            | <b>105.1%</b>   | <b>Net Operating Income/(Loss)</b>   | <b>107,398</b> | <b>107,004</b> | <b>73,810</b>      | <b>33,193</b>           | <b>45.0%</b> |
| 9,167                | (21,080)             | 346                      | (21,426)                | (6185.0%)       | <b>Non Operating Income</b>          | 52,534         | 2,040          | 4,471              | (2,431)                 | (54.4%)      |
| <b>16,294</b>        | <b>(7,362)</b>       | <b>7,035</b>             | <b>(14,398)</b>         | <b>(204.6%)</b> | <b>Net Income(Loss)</b>              | <b>159,932</b> | <b>109,043</b> | <b>78,281</b>      | <b>30,762</b>           | <b>39.3%</b> |
| 17.4%                | 23.5%                | 17.7%                    | 5.8%                    |                 | <b>EBITDA</b>                        | 21.8%          | 20.5%          | 17.1%              | 3.4%                    |              |
| 11.2%                | 18.5%                | 10.1%                    | 8.4%                    |                 | <b>Operating Margin</b>              | 15.5%          | 14.6%          | 10.5%              | 4.2%                    |              |
| 25.7%                | -9.9%                | 10.6%                    | (20.5%)                 |                 | <b>Net Margin</b>                    | 23.0%          | 14.9%          | 11.1%              | 3.8%                    |              |

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

Period ending 05/31/2019

| Period 11<br>FY 2018     | Period 11<br>FY 2019 | Period 11<br>Budget 2019 | Variance<br>Fav (Unfav) | Var%           | \$000s                               | YTD<br>FY 2018 | YTD<br>FY 2019 | YTD<br>Budget 2019 | Variance<br>Fav (Unfav) | Var%           |
|--------------------------|----------------------|--------------------------|-------------------------|----------------|--------------------------------------|----------------|----------------|--------------------|-------------------------|----------------|
| <b>OPERATING REVENUE</b> |                      |                          |                         |                |                                      |                |                |                    |                         |                |
| 50,489                   | 58,074               | 61,578                   | (3,504)                 | (5.7%)         | <b>Gross Revenue</b>                 | 544,172        | 580,714        | 611,296            | (30,582)                | (5.0%)         |
| (36,757)                 | (44,144)             | (45,373)                 | 1,229                   | 2.7%           | <b>Deductions</b>                    | (401,140)      | (430,651)      | (450,027)          | 19,376                  | 4.3%           |
| <b>13,732</b>            | <b>13,930</b>        | <b>16,205</b>            | <b>(2,275)</b>          | <b>(14.0%)</b> | <b>Net Patient Revenue</b>           | <b>143,033</b> | <b>150,063</b> | <b>161,269</b>     | <b>(11,206)</b>         | <b>(6.9%)</b>  |
| 222                      | 383                  | 240                      | 143                     | 59.4%          | <b>Other Operating Revenue</b>       | 2,036          | 3,496          | 2,639              | 857                     | 32.5%          |
| <b>13,953</b>            | <b>14,314</b>        | <b>16,445</b>            | <b>(2,132)</b>          | <b>(13.0%)</b> | <b>Total Operating Revenue</b>       | <b>145,069</b> | <b>153,559</b> | <b>163,908</b>     | <b>(10,349)</b>         | <b>(6.3%)</b>  |
| <b>OPERATING EXPENSE</b> |                      |                          |                         |                |                                      |                |                |                    |                         |                |
| 6,858                    | 7,642                | 7,401                    | (241)                   | (3.3%)         | <b>Salaries &amp; Wages</b>          | 72,582         | 77,394         | 77,713             | 319                     | 0.4%           |
| 1,983                    | 2,326                | 2,849                    | 523                     | 18.4%          | <b>Supplies</b>                      | 21,485         | 22,795         | 25,162             | 2,367                   | 9.4%           |
| 1,442                    | 1,556                | 1,361                    | (195)                   | (14.3%)        | <b>Fees &amp; Purchased Services</b> | 14,761         | 15,970         | 14,812             | (1,157)                 | (7.8%)         |
| 1,538                    | 1,703                | 1,597                    | (106)                   | (6.7%)         | <b>Other Operating Expense</b>       | 17,130         | 17,313         | 16,971             | (341)                   | (2.0%)         |
| 0                        | 0                    | 0                        | 0                       | 0.0%           | <b>Interest</b>                      | 0              | 0              | 0                  | 0                       | 0.0%           |
| 693                      | 815                  | 732                      | (84)                    | (11.4%)        | <b>Depreciation</b>                  | 6,793          | 8,518          | 8,147              | (371)                   | (4.6%)         |
| <b>12,514</b>            | <b>14,043</b>        | <b>13,940</b>            | <b>(103)</b>            | <b>(0.7%)</b>  | <b>Total Operating Expense</b>       | <b>132,752</b> | <b>141,989</b> | <b>142,805</b>     | <b>816</b>              | <b>0.6%</b>    |
| <b>1,439</b>             | <b>271</b>           | <b>2,506</b>             | <b>(2,235)</b>          | <b>(89.2%)</b> | <b>Net Operating Income/(Loss)</b>   | <b>12,317</b>  | <b>11,569</b>  | <b>21,103</b>      | <b>(9,534)</b>          | <b>(45.2%)</b> |
| 0                        | 0                    | 0                        | 0                       | 0.0%           | <b>Non Operating Income</b>          | (45)           | 0              | 0                  | 0                       | 0.0%           |
| <b>1,439</b>             | <b>271</b>           | <b>2,506</b>             | <b>(2,235)</b>          | <b>(89.2%)</b> | <b>Net Income(Loss)</b>              | <b>12,272</b>  | <b>11,569</b>  | <b>21,103</b>      | <b>(9,534)</b>          | <b>(45.2%)</b> |
| 15.3%                    | 7.6%                 | 19.7%                    | (12.1%)                 |                | <b>EBITDA</b>                        | 13.2%          | 13.1%          | 17.8%              | (4.8%)                  |                |
| 10.3%                    | 1.9%                 | 15.2%                    | (13.3%)                 |                | <b>Operating Margin</b>              | 8.5%           | 7.5%           | 12.9%              | (5.3%)                  |                |
| 10.3%                    | 1.9%                 | 15.2%                    | (13.3%)                 |                | <b>Net Margin</b>                    | 8.5%           | 7.5%           | 12.9%              | (5.3%)                  |                |

## Non Operating Items and Net Income by Affiliate

\$ in thousands

|   | Period 11 - Month |              |                 | Period 11 - FYTD |                |                |
|---|-------------------|--------------|-----------------|------------------|----------------|----------------|
|   | Actual            | Budget       | Variance        | Actual           | Budget         | Variance       |
| <b>El Camino Hospital Income (Loss) from Operations</b> |                   |              |                 |                  |                |                |
| Mountain View   | 13,717            | 6,689        | 7,029           | 107,004          | 73,810         | 33,193         |
| Los Gatos   | 271               | 2,506        | (2,235)         | 11,569           | 21,103         | (9,534)        |
| <b>Sub Total - El Camino Hospital, excl. Affiliates</b> | <b>13,988</b>     | <b>9,195</b> | <b>4,794</b>    | <b>118,573</b>   | <b>94,913</b>  | <b>23,660</b>  |
| <b>Operating Margin %</b>                               | <b>15.8%</b>      | <b>11.1%</b> |                 | <b>13.4%</b>     | <b>10.9%</b>   |                |
| <b>El Camino Hospital Non Operating Income</b>          |                   |              |                 |                  |                |                |
| Investments <sup>2</sup>                                | (16,721)          | 2,368        | (19,089)        | 22,330           | 26,705         | (4,375)        |
| Swap Adjustments  | (855)             | (100)        | (755)           | (1,981)          | (1,100)        | (881)          |
| Community Benefit                                       | (24)              | (300)        | 276             | (3,683)          | (3,300)        | (383)          |
| Pathways  | 333               | 0            | 333             | (732)            | 0              | (732)          |
| Satellite Dialysis                                      | 0                 | (25)         | 25              | 542              | (275)          | 817            |
| Community Connect                                       | 0                 | (53)         | 53              | 0                | (283)          | 283            |
| SVMD Funding <sup>1</sup>                               | (3,693)           | (1,219)      | (2,474)         | (11,725)         | (13,409)       | 1,684          |
| Other   | (227)             | (324)        | 97              | (2,939)          | (3,867)        | 929            |
| <b>Sub Total - Non Operating Income</b>                 | <b>(21,080)</b>   | <b>346</b>   | <b>(21,426)</b> | <b>2,040</b>     | <b>4,471</b>   | <b>(2,431)</b> |
| <b>El Camino Hospital Net Income (Loss)</b>             | <b>(7,092)</b>    | <b>9,541</b> | <b>(16,633)</b> | <b>120,613</b>   | <b>99,384</b>  | <b>21,229</b>  |
| <b>ECH Net Margin %</b>                                 | <b>-8.0%</b>      | <b>11.5%</b> |                 | <b>13.6%</b>     | <b>11.5%</b>   |                |
| Concern   | (475)             | 69           | (544)           | 1,779            | 811            | 967            |
| ECSC  | (25)              | 0            | (25)            | (102)            | 0              | (102)          |
| Foundation  | (482)             | 61           | (543)           | 2,074            | 1,251          | 823            |
| Silicon Valley Medical Development                      | 5,789             | 47           | 5,742           | 8,272            | (31)           | 8,303          |
| <b>Net Income Hospital Affiliates</b>                   | <b>4,807</b>      | <b>177</b>   | <b>4,630</b>    | <b>12,021</b>    | <b>2,031</b>   | <b>9,990</b>   |
| <b>Total Net Income Hospital &amp; Affiliates</b>       | <b>(2,285)</b>    | <b>9,718</b> | <b>(12,003)</b> | <b>132,634</b>   | <b>101,415</b> | <b>31,219</b>  |



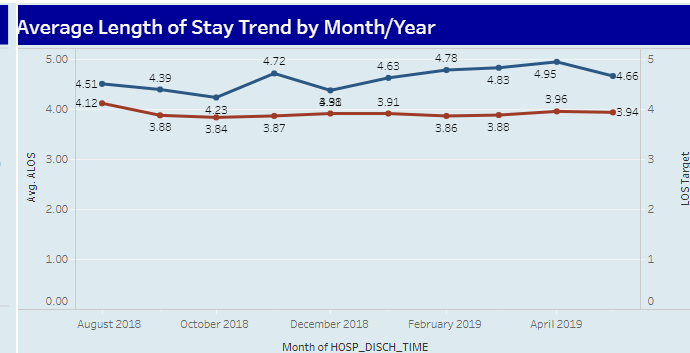
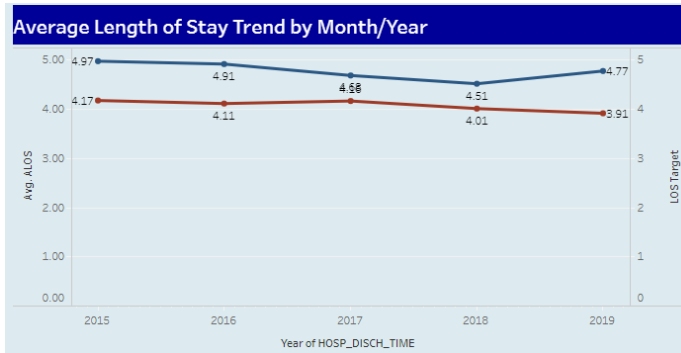
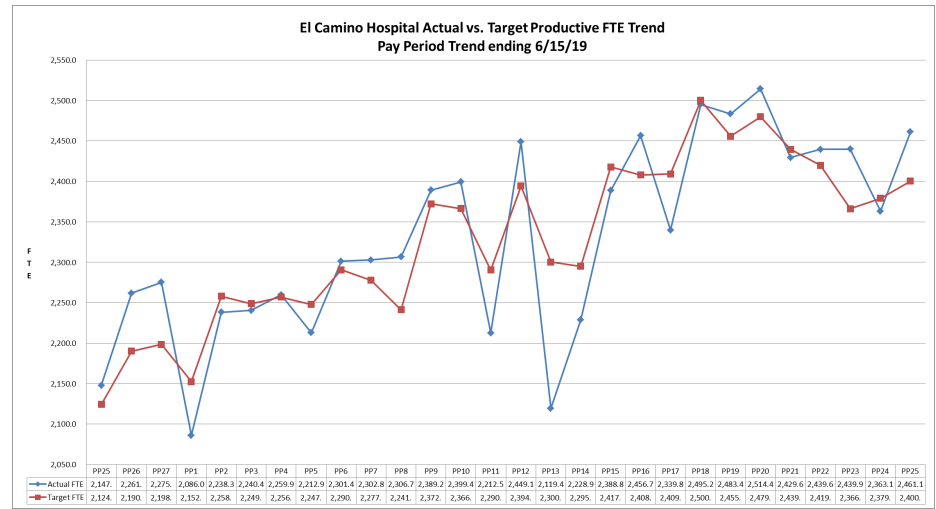
<sup>1</sup>Favorable variances for SVMD and Community Connect are due to delayed implementation

<sup>2</sup>Equity markets volatility is continuing

# Productivity and Medicare Length of Stay

At or below FTE target. YTD we are slightly worse than budget (adjusted for volume). Ramp up for SJMG/SVMD beginning in PP19.

ALOS vs Milliman well-managed benchmark (red line). FY19 ALOS has increased due to long stay outlier cases beginning in January but improved in May



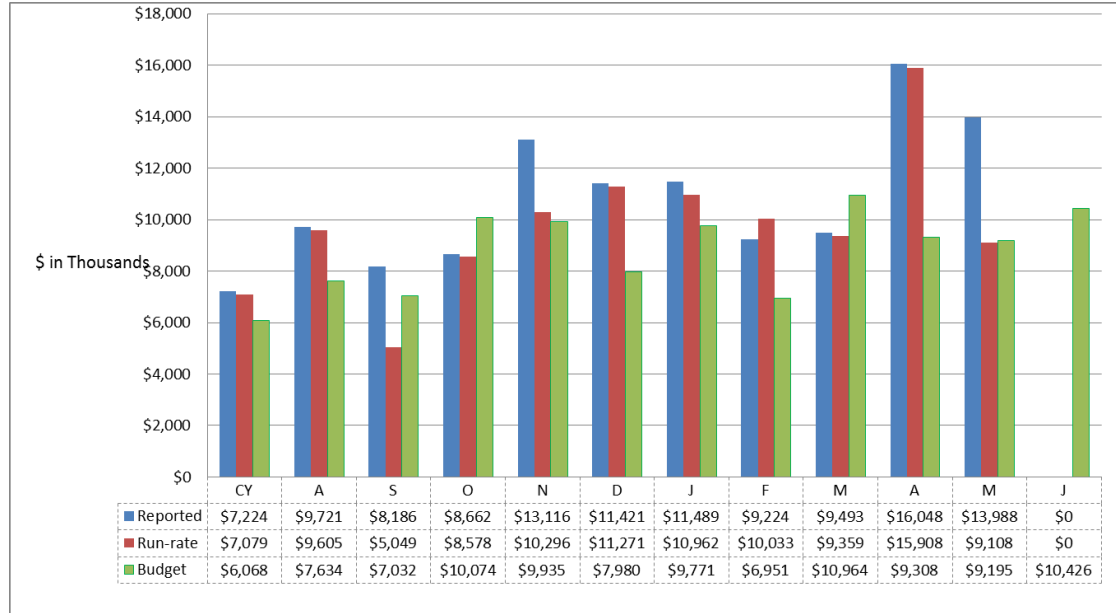
# El Camino Hospital Volume Annual Trends

| VOLUME BY SERVICE LINE |                       | ANNUAL TREND      |         |         |         |         | 2019(b) | FY19 Bud vs FY18 |         | MONTH  |        |        |         |        | YEAR    |         |         |         |        |
|------------------------|-----------------------|-------------------|---------|---------|---------|---------|---------|------------------|---------|--------|--------|--------|---------|--------|---------|---------|---------|---------|--------|
|                        |                       | 2014              | 2015    | 2016    | 2017    | 2018    |         | 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%   | 107    | 113    | 89     | 24      | 6      | 1,021   | 1,070   | 976     | 94      | 49     |
|                        | General Medicine & .. | 4,165             | 4,592   | 4,459   | 4,960   | 5,285   | 5,325   | 40               | 0.8%    | 420    | 466    | 468    | -2      | 46     | 4,897   | 4,736   | 4,881   | -145    | -161   |
|                        | General Surgery       | 1,243             | 1,150   | 1,311   | 1,318   | 1,305   | 1,344   | 39               | 3.0%    | 107    | 127    | 122    | 5       | 20     | 1,162   | 1,289   | 1,219   | 70      | 127    |
|                        | GYN                   | 390               | 313     | 293     | 270     | 243     | 255     | 12               | 4.9%    | 16     | 21     | 20     | 1       | 5      | 224     | 216     | 234     | -18     | -8     |
|                        | Heart and Vascular    | 1,859             | 1,998   | 2,001   | 2,204   | 2,372   | 2,445   | 73               | 3.1%    | 203    | 210    | 235    | -25     | 7      | 2,181   | 2,100   | 2,243   | -143    | -81    |
|                        | MCH                   | 6,695             | 6,371   | 5,953   | 5,822   | 5,710   | 5,764   | 54               | 1.0%    | 485    | 495    | 490    | 5       | 10     | 5,232   | 4,974   | 5,278   | -304    | -258   |
|                        | Neurosciences         | 667               | 672     | 677     | 688     | 870     | 907     | 37               | 4.3%    | 60     | 92     | 71     | 21      | 32     | 791     | 812     | 821     | -9      | 21     |
|                        | Oncology              | 606               | 564     | 652     | 594     | 632     | 726     | 94               | 14.9%   | 49     | 67     | 54     | 13      | 18     | 585     | 676     | 642     | 34      | 91     |
|                        | Orthopedics           | 1,695             | 1,773   | 1,746   | 1,690   | 1,705   | 1,819   | 114              | 6.7%    | 134    | 140    | 142    | -2      | 6      | 1,571   | 1,549   | 1,663   | -114    | -22    |
|                        | Rehab Services        | 547               | 555     | 500     | 461     | 441     | 436     | -5               | -1.1%   | 41     | 52     | 37     | 15      | 11     | 402     | 473     | 399     | 74      | 71     |
|                        | Spine Surgery         | 377               | 429     | 417     | 474     | 375     | 465     | 90               | 24.0%   | 19     | 33     | 45     | -12     | 14     | 348     | 307     | 424     | -117    | -41    |
|                        | Urology               | 172               | 169     | 234     | 257     | 255     | 274     | 19               | 7.4%    | 28     | 22     | 31     | -9      | -6     | 232     | 267     | 250     | 17      | 35     |
|                        | Total                 | 19,428            | 19,638  | 19,171  | 19,662  | 20,291  | 20,823  | 532              | 2.6%    | 1,669  | 1,838  | 1,805  | 33      | 169    | 18,646  | 18,469  | 19,032  | -563    | -177   |
|                        | OP                    | Behavioral Health | 910     | 886     | 2,394   | 3,260   | 3,151   | 3,417            | 266     | 8.4%   | 248    | 260    | 329     | -69    | 12      | 2,919   | 2,550   | 3,104   | -554   |
| Dialysis               |                       | 1,059             | 155     | 6       |         |         | 0       |                  |         |        | 0      |        |         |        |         | 0       |         |         |        |
| Emergency              |                       | 46,006            | 49,091  | 48,590  | 48,625  | 49,411  | 49,122  | -289             | -0.6%   | 4,090  | 4,148  | 4,316  | -168    | 58     | 45,455  | 44,319  | 45,011  | -692    | -1,136 |
| General Medicine & ..  |                       | 6,637             | 6,620   | 7,195   | 7,129   | 7,266   | 7,457   | 191              | 2.6%    | 663    | 740    | 623    | 117     | 77     | 6,642   | 7,387   | 6,823   | 564     | 745    |
| General Surgery        |                       | 1,837             | 1,853   | 1,797   | 1,837   | 2,003   | 2,068   | 65               | 3.2%    | 180    | 160    | 193    | -33     | -20    | 1,834   | 1,777   | 1,895   | -118    | -57    |
| GYN                    |                       | 1,220             | 1,308   | 1,018   | 1,079   | 1,099   | 1,171   | 72               | 6.6%    | 85     | 138    | 88     | 50      | 53     | 1,017   | 1,297   | 1,054   | 243     | 280    |
| Heart and Vascular     |                       | 2,570             | 2,712   | 3,795   | 4,361   | 4,364   | 4,410   | 46               | 1.1%    | 393    | 396    | 388    | 8       | 3      | 3,971   | 4,248   | 4,059   | 189     | 277    |
| Imaging Services       |                       | 19,546            | 20,072  | 17,807  | 17,249  | 18,503  | 18,744  | 241              | 1.3%    | 1,649  | 1,659  | 1,657  | 2       | 10     | 16,940  | 17,466  | 17,068  | 398     | 526    |
| Laboratory Services    |                       | 30,599            | 29,726  | 29,007  | 29,153  | 28,563  | 29,071  | 508              | 1.8%    | 2,298  | 2,429  | 2,529  | -100    | 131    | 26,293  | 25,258  | 26,534  | -1,276  | -1,035 |
| MCH                    |                       | 5,034             | 4,826   | 5,092   | 5,576   | 5,642   | 5,928   | 286              | 5.1%    | 476    | 521    | 538    | -17     | 45     | 5,192   | 5,026   | 5,416   | -390    | -166   |
| Neurosciences          |                       | 110               | 61      | 127     | 125     | 114     | 155     | 41               | 36.0%   | 9      | 6      | 3      | 3       | -3     | 107     | 75      | 140     | -65     | -32    |
| Oncology               |                       | 4,015             | 4,179   | 14,329  | 18,541  | 19,276  | 22,037  | 2,761            | 14.3%   | 1,688  | 1,984  | 2,289  | -305    | 296    | 17,684  | 18,991  | 19,712  | -721    | 1,307  |
| Orthopedics            |                       | 866               | 776     | 584     | 615     | 641     | 714     | 73               | 11.4%   | 74     | 77     | 53     | 24      | 3      | 582     | 693     | 657     | 36      | 111    |
| Outpatient Clinics     |                       | 1,817             | 1,705   | 1,680   | 1,288   | 1,883   | 1,517   | -366             | -19.4%  | 144    | 106    | 130    | -24     | -38    | 1,728   | 1,471   | 1,390   | 81      | -257   |
| Rehab Services         |                       | 1,731             | 1,747   | 3,954   | 4,518   | 4,925   | 4,900   | -25              | -0.5%   | 453    | 497    | 457    | 40      | 44     | 4,503   | 5,066   | 4,456   | 610     | 563    |
| Sleep Center           |                       | 160               | 223     | 498     | 368     | 242     | 300     | 58               | 24.0%   | 40     | 39     | 25     | 14      | -1     | 209     | 312     | 273     | 39      | 103    |
| Spine Surgery          |                       | 325               | 399     | 309     | 324     | 311     | 326     | 15               | 4.8%    | 30     | 27     | 19     | 8       | -3     | 289     | 265     | 296     | -31     | -24    |
| Urology                |                       | 1,755             | 1,771   | 1,739   | 1,898   | 2,053   | 2,058   | 5                | 0.2%    | 195    | 199    | 168    | 31      | 4      | 1,885   | 1,910   | 1,891   | 19      | 25     |
| Total                  |                       | 126,197           | 128,110 | 139,921 | 145,946 | 149,447 | 153,395 | 3,948            | 2.6%    | 12,715 | 13,386 | 13,806 | -420    | 671    | 137,250 | 138,111 | 139,779 | -1,668  | 861    |



## ECN Operating Margin

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



| FY 2019 Actual Run Rate Adjustments (in thousands) - FAV / <UNFAV> |            |            |              |           |              |            |            |              |            |            |              |               |  |
|--|------------|------------|--------------|-----------|--------------|------------|------------|--------------|------------|------------|--------------|---------------|--|
| Revenue Adjustments  | J          | A          | S            | O         | N            | D          | J          | F            | M          | A          | M            | YTD           |  |
| Mcare Settlmt/Appeal/Tent Settlmt/PIP                              | 141        | 112        | 92           | 76        | 137          | 443        | 516        | 129          | 129        | 129        | (79)         | 1,825         |  |
| BX/BS LD Settlement  | -          | -          | -            | -         | -            | -          | -          | -            | -          | -          | -            | -             |  |
| Medi-Cal Supplemental  | -          | -          | -            | -         | -            | -          | -          | -            | -          | -          | -            | -             |  |
| IGT Supplemental   | -          | -          | -            | -         | 2,672        | -          | -          | -            | -          | -          | -            | 2,672         |  |
| AB 915   | -          | -          | 2,875        | -         | -            | -          | -          | -            | -          | -          | 1,282        | 4,157         |  |
| RAC Release  | -          | -          | 161          | -         | -            | (305)      | -          | (1,005)      | -          | -          | -            | (1,149)       |  |
| Hospital Fee   | -          | -          | -            | -         | -            | -          | -          | -            | -          | -          | 3,717        | 3,717         |  |
| Various Adjustments under \$250k                                   | 4          | 5          | 6            | 8         | 11           | 12         | 12         | 66           | 6          | 11         | (41)         | 100           |  |
| <b>Total</b>   | <b>145</b> | <b>116</b> | <b>3,137</b> | <b>84</b> | <b>2,820</b> | <b>150</b> | <b>528</b> | <b>(809)</b> | <b>135</b> | <b>140</b> | <b>4,880</b> | <b>11,325</b> |  |

# El Camino Hospital

## Capital Spending (in millions)

| Category   | Detail  | Approved | Total Estimated Cost of Project | Total Authorized Active | Spent from Inception | FY19 Budget  | FY 19 YTD Spent |
|------------|---|----------|---------------------------------|-------------------------|----------------------|--------------|-----------------|
| <b>CIP</b> | ERP Upgrade   |          |                                 | 9.6                     | 5.7                  | 9.6          | 5.7             |
|            | <b>IT Hardware, Software, Equipment &amp; Imaging</b> |          |                                 | 10.1                    | 7.8                  | 10.1         | 7.8             |
|            | <b>Medical &amp; Non Medical Equipment FY 18</b>      |          |                                 | 5.6                     | 10.2                 | 0.0          | 4.2             |
|            | <b>Medical &amp; Non Medical Equipment FY 19</b>      |          |                                 | 11.2                    | 11.5                 | 11.2         | 11.5            |
|            | <b>Facility Projects</b>                              |          |                                 |                         |                      |              |                 |
|            | 1245 Behavioral Health Bldg                           | FY16     | 96.1                            | 96.1                    | 74.2                 | 45.0         | 28.3            |
|            | 1413 North Drive Parking Expansion                    | FY15     | 24.5                            | 24.5                    | 24.4                 | 0.0          | 0.2             |
|            | 1414 Integrated MOB                                   | FY15     | 302.1                           | 302.1                   | 222.6                | 150.0        | 102.2           |
|            | 1422 CUP Upgrade                                      | FY16     | 9.0                             | 9.0                     | 8.4                  | 0.8          | 0.8             |
|            | 1430 Women's Hospital Expansion                       | FY16     | 135.0                           | 135.0                   | 6.4                  | 10.0         | 3.2             |
|            | Demo Old Main & Related Site Work                     |          | 30.0                            | 30.0                    | 0.0                  | 2.0          | 0.0             |
|            | 1502 Cabling & Wireless Upgrades                      | FY16     | 0.0                             | 0.0                     | 2.8                  | 0.0          | 0.0             |
|            | 1525 New Main Lab Upgrades                            |          | 3.1                             | 3.1                     | 2.7                  | 0.3          | 0.5             |
|            | 1515 ED Remodel Triage/Psych Observation              | FY16     | 5.0                             | 5.0                     | 0.0                  | 4.6          | 0.0             |
|            | 1503 Willow Pavilion Tomosynthesis                    | FY16     | 1.0                             | 0.0                     | 0.4                  | 1.0          | 0.0             |
|            | 1602 JW House (Patient Family Residence)              |          | 6.5                             | 6.5                     | 0.4                  | 6.0          | 0.1             |
|            | Site Signage and Other Improvements                   |          | 1.3                             | 0.0                     | 0.0                  | 1.0          | 0.0             |
|            | Nurse Call System Upgrades                            |          | 2.4                             | 0.0                     | 0.0                  | 2.4          | 0.0             |
|            | 1707 Imaging Equipment Replacement ( 5 or 6 rooms)    |          | 20.7                            | 0.3                     | 0.0                  | 6.0          | 0.0             |
|            | 1708 IR/ Cath Lab Equipment Replacement               |          | 19.4                            | 19.4                    | 0.0                  | 5.0          | 0.9             |
|            | 1804 SVMD Clinic @ North First Street                 |          | 8.0                             | 8.0                     | 0.0                  | 0.0          | 0.0             |
|            | Flooring Replacement                                  |          | 1.6                             | 1.6                     | 0.0                  | 1.5          | 0.4             |
|            | 1219 LG Spine OR                                      | FY13     | 0.0                             | 0.0                     | 4.0                  | 0.0          | 0.2             |
|            | 1313 LG Rehab HVAC System & Structural                | FY16     | 0.0                             | 0.0                     | 4.1                  | 0.0          | 0.0             |
|            | 1248 LG Imaging Phase II (CT & Gen Rad)               | FY16     | 9.0                             | 9.0                     | 9.0                  | 0.0          | 0.1             |
|            | 1307 LG Upgrades                                      | FY13     | 19.3                            | 19.3                    | 18.8                 | 0.8          | 1.0             |
|            | 1507 LG IR Upgrades                                   |          | 1.3                             | 0.0                     | 0.0                  | 1.3          | 0.0             |
|            | 1603 LG MOB Improvements (17)                         |          | 5.0                             | 5.0                     | 5.0                  | 0.5          | 0.0             |
|            | 1711 Emergency Sanitary & Water Storage               |          | 1.5                             | 1.5                     | 0.3                  | 1.3          | 0.1             |
|            | LG Modular MRI & Awning                               |          | 3.9                             | 3.9                     | 0.4                  | 3.5          | 0.3             |
|            | LG Nurse Call System Upgrade                          |          | 0.8                             | 0.0                     | 0.0                  | 0.5          | 0.0             |
|            | LG Observation Unit (Conversion of ICU 2)             |          | 0.0                             | 0.0                     | 0.0                  | 0.0          | 0.0             |
|            | 1712 LG Cancer Center                                 |          | 5.0                             | 5.0                     | 2.8                  | 4.8          | 2.6             |
|            | Workstation Inventory Replacement                     |          | 2.0                             | 2.0                     | 0.0                  | 0.0          | 0.0             |
|            | Primary Care Clinic Development (2 @ \$3 Million Ea   |          | 6.0                             | 6.0                     | 0.0                  | 5.0          | 0.0             |
|            | Other Strategic Capital FY-19                         |          | 5.0                             | 5.0                     | 0.0                  | 15.0         | 0.0             |
|            | Willow SC Upgrades ( 35,000 @ \$50)                   |          | 1.8                             | 1.8                     | 0.0                  | 1.8          | 0.0             |
|            | New 28k MOB (Courthouse Prop)                         |          | 22.4                            | 22.4                    | 0.0                  | 1.2          | 0.0             |
|            | 80 Great Oaks Upgrades                                |          | 4.5                             | 4.5                     | 0.0                  | 0.0          | 0.0             |
|            | Primary Care Clinic (TI's Only) FY 17 (828 Wincheste  |          | 3.6                             | 3.6                     | 0.0                  | 0.3          | 0.0             |
|            | All Other Projects                                    |          | 9.2                             | 8.6                     | 130.4                | 7.8          | 4.5             |
|            |   |          | 765.8                           | 738.3                   | 517.2                | 279.5        | 145.7           |
|            | <b>GRAND TOTAL</b>                                    |          |                                 | <b>769.2</b>            | <b>552.3</b>         | <b>300.8</b> | <b>174.7</b>    |

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

| Category  | 2014          | 2015          | 2016          | 2017          | 2018           |
|---|---------------|---------------|---------------|---------------|----------------|
| <b>EPIC</b>                                       | <b>6,838</b>  | <b>29,849</b> | <b>20,798</b> | <b>2,755</b>  | <b>1,114</b>   |
| <b>IT Hardware/Software Equipment</b>             | <b>2,788</b>  | <b>4,660</b>  | <b>6,483</b>  | <b>2,659</b>  | <b>1,108</b>   |
| <b>Medical/Non Medical Equipment</b>              | <b>12,891</b> | <b>13,340</b> | <b>17,133</b> | <b>9,556</b>  | <b>15,780</b>  |
| <b>Non CIP Land, Land I, BLDG, Additions</b>      | <b>22,292</b> | <b>-</b>      | <b>4,189</b>  | <b>-</b>      | <b>2,070</b>   |
| <b>Facilities Projects CIP</b>                    |               |               |               |               |                |
| <b>Mountain View Campus Master Plan Projects</b>  |               |               |               |               |                |
| 1245 - Behavioral Health Bldg Replace             | 1,257         | 3,775         | 1,389         | 10,323        | 28,676         |
| 1413 - North Drive Parking Structure Exp          | -             | 167           | 1,266         | 18,120        | 4,670          |
| 1414 - Integrated MOB                             | -             | 2,009         | 8,875         | 32,805        | 75,319         |
| 1422 - CUP Upgrade                                | -             | -             | 896           | 1,245         | 5,428          |
| <b>Sub-Total Mountain View Campus Master Plan</b> | <b>1,257</b>  | <b>5,950</b>  | <b>12,426</b> | <b>62,493</b> | <b>114,093</b> |
| <b>Mountain View Capital Projects</b>             |               |               |               |               |                |
| 9900 - Unassigned Costs                           | 470           | 3,717         | -             | -             | -              |
| 0906 - Slot Build-Out                             | 1,576         | 15,101        | 1,251         | 294           | -              |
| 1109 - New Main Upgrades                          | 393           | 2             | -             | -             | -              |
| 1111 - Mom/Baby Overflow                          | 29            | -             | -             | -             | -              |
| 1204 - Elevator Upgrades                          | 30            | -             | -             | -             | -              |
| 0800 - Womens L&D Expansion                       | 1,531         | 269           | -             | -             | -              |
| 1225 - Rehab BLDG Roofing                         | 241           | 4             | -             | -             | -              |
| 1227 - New Main eICU                              | 21            | -             | -             | -             | -              |
| 1230 - Fog Shop                                   | 80            | -             | -             | -             | -              |
| 1315 - 205 So. Drive TI's                         | 500           | 2             | -             | -             | -              |
| 0908 - NPCR3 Seismic Upgrds                       | 1,224         | 1,328         | 240           | 342           | 961            |
| 1125 - Will Pav Fire Sprinkler                    | 39            | -             | -             | -             | -              |
| 1216 - New Main Process Imp Office                | 1             | 16            | -             | -             | -              |
| 1217 - MV Campus MEP Upgrades FY13                | 181           | 274           | 28            | -             | -              |
| 1224 - Rehab Bldg HVAC Upgrades                   | 202           | 81            | 14            | 6             | -              |
| 1301 - Desktop Virtual                            | 13            | -             | -             | -             | -              |
| 1304 - Rehab Wander Mgmt                          | 87            | -             | -             | -             | -              |
| 1310 - Melchor Cancer Center Expansion            | 44            | 13            | -             | -             | -              |
| 1318 - Women's Hospital TI                        | 48            | 48            | 29            | 2             | -              |
| 1327 - Rehab Building Upgrades                    | -             | 15            | 20            | -             | 22             |
| 1320 - 2500 Hosp Dr Roofing                       | 75            | 81            | -             | -             | -              |
| 1340 - New Main ED Exam Room TVs                  | 8             | 193           | -             | -             | -              |
| 1341 - New Main Admin                             | 32            | 103           | -             | -             | -              |
| 1344 - New Main AV Upgrd                          | 243           | -             | -             | -             | -              |
| 1400 - Oak Pav Cancer Center                      | -             | 5,208         | 666           | 52            | 156            |
| 1403 - Hosp Drive BLDG 11 TI's                    | 86            | 103           | -             | -             | -              |
| 1404 - Park Pav HVAC                              | 64            | 7             | -             | -             | -              |
| 1405 - 1 - South Accessibility Upgrades           | -             | -             | 168           | 95            | -              |
| 1408 - New Main Accessibility Upgrades            | -             | 7             | 46            | 501           | 12             |

| Category                                   | 2014          | 2015          | 2016          | 2017          | 2018           |
|--|---------------|---------------|---------------|---------------|----------------|
| <b>Facilities Projects CIP cont.</b>       |               |               |               |               |                |
| 1415 - Signage & Wayfinding                | -             | -             | 106           | 58            | 136            |
| 1416 - MV Campus Digital Directories       | -             | -             | 34            | 23            | 95             |
| 1423 - MV MOB TI Allowance                 | -             | -             | 588           | 369           | -              |
| 1425 - IMOB Preparation Project - Old Main | -             | -             | 711           | 1,860         | 215            |
| 1429 - 2500 Hospital Dr Bldg 8 TI          | -             | 101           | -             | -             | -              |
| 1430 - Women's Hospital Expansion          | -             | -             | -             | 464           | 2,763          |
| 1432 - 205 South Dr BHS TI                 | -             | 8             | 15            | -             | 52             |
| 1501 - Women's Hospital NPC Comp           | -             | 4             | -             | 223           | 320            |
| 1502 - Cabling & Wireless Upgrades         | -             | -             | 1,261         | 367           | 984            |
| 1503 - Willow Pavilion Tomosynthesis       | -             | -             | 53            | 257           | 31             |
| 1504 - Equipment Support Infrastructure    | -             | 61            | 311           | -             | 60             |
| 1523 - Melchor Pavillion Suite 309 TI      | -             | -             | 10            | 59            | 392            |
| 1525 - New Main Lab Upgrades               | -             | -             | -             | 464           | 1,739          |
| 1526 - CONCERN TI                          | -             | -             | 37            | 99            | 10             |
| <b>Sub-Total Mountain View Projects</b>    | <b>7,219</b>  | <b>26,744</b> | <b>5,588</b>  | <b>5,535</b>  | <b>7,948</b>   |
| <b>Los Gatos Capital Projects</b>          |               |               |               |               |                |
| 0904 - LG Facilities Upgrade               | -             | -             | -             | -             | -              |
| 0907 - LG Imaging Masterplan               | 774           | 1,402         | 17            | -             | -              |
| 1210 - Los Gatos VOIP                      | 89            | -             | -             | -             | -              |
| 1116 - LG Ortho Pavillion                  | 24            | 21            | -             | -             | -              |
| 1124 - LG Rehab BLDG                       | 458           | -             | -             | -             | -              |
| 1307 - LG Upgrades                         | 2,979         | 3,282         | 3,511         | 3,081         | 4,551          |
| 1308 - LG Infrastructure                   | 114           | -             | -             | -             | -              |
| 1313 - LG Rehab HVAC System/Structural     | -             | -             | 1,597         | 1,904         | 550            |
| 1219 - LG Spine OR                         | 214           | 323           | 633           | 2,163         | 447            |
| 1221 - LG Kitchen Refrig                   | 85            | -             | -             | -             | -              |
| 1248 - LG - CT Upgrades                    | 26            | 345           | 197           | 6,669         | 1,673          |
| 1249 - LG Mobile Imaging                   | 146           | -             | -             | -             | -              |
| 1328 - LG Ortho Canopy FY14                | 255           | 209           | -             | -             | -              |
| 1345 - LG Lab HVAC                         | 112           | -             | -             | -             | -              |
| 1346 - LG OR 5, 6, and 7 Lights Replace    | -             | 285           | 53            | 22            | 127            |
| 1347 - LG Central Sterile Upgrades         | -             | 181           | 43            | 66            | -              |
| 1421 - LG MOB Improvements                 | -             | 198           | 65            | 303           | 356            |
| 1508 - LG NICU 4 Bed Expansion             | -             | -             | -             | 207           | -              |
| 1600 - 825 Pollard - Aspire Phase II       | -             | -             | -             | 80            | 10             |
| 1603 - LG MOB Improvements                 | -             | -             | -             | 285           | 4,593          |
| <b>Sub-Total Los Gatos Projects</b>        | <b>5,276</b>  | <b>6,246</b>  | <b>6,116</b>  | <b>14,780</b> | <b>12,306</b>  |
| 1550 - Land Acquisition                    | -             | -             | 24,007        | -             | -              |
| 1701 - 828 S Winchester Clinic TI          | -             | -             | -             | 145           | 3,018          |
| <b>Sub-Total Other Strategic Projects</b>  | <b>-</b>      | <b>-</b>      | <b>24,007</b> | <b>145</b>    | <b>3,018</b>   |
| <b>Subtotal Facilities Projects CIP</b>    | <b>13,753</b> | <b>38,940</b> | <b>48,137</b> | <b>82,953</b> | <b>137,364</b> |
| <b>Grand Total</b>                         | <b>58,561</b> | <b>86,789</b> | <b>96,740</b> | <b>97,923</b> | <b>157,435</b> |