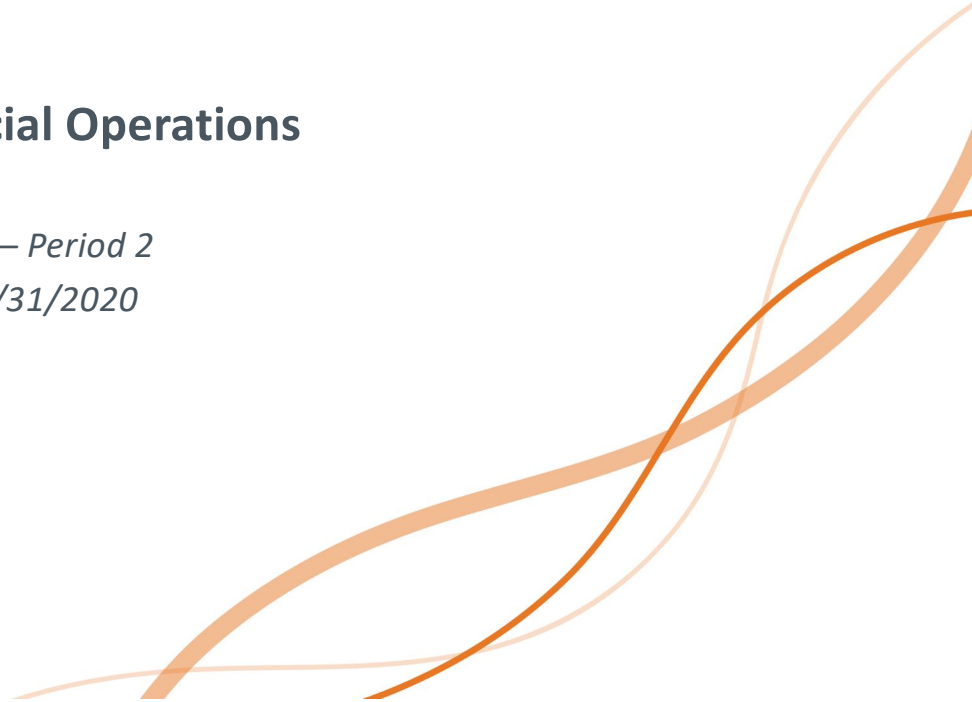




## Summary of Financial Operations

*Fiscal Year 2021 – Period 2  
7/1/2020 to 8/31/2020*





## Overall Commentary for August

The COVID recovery plan and its focus on volume recovery continues to yield results.

- For both ECH and SVMD the volumes exceeded the volume forecasts
- Overall gross charges, a surrogate for volume, was exceeded the forecast by 30% in the month of August (Net Patient Revenue exceeded forecast by 27%)
- Operating Expenses were \$9.7M or 12% greater than budget and driven by the increased volumes
- Operating Margin favorable variance in comparison to the budget is \$8.2M. However, month-over-month performance was unfavorable due to a slight deterioration in payor mix, significant increase in supply expenses due to the capture of prior month expenses.
- Year-over-year operating margin is unfavorable by \$6.5M
- Continued focus on managing variable expenses and monitoring changes to payor mix will be critical to ensure the organization returns to consistent strong operating performance

# Consolidated Statement of Operations (\$000s)

Period ending 08/31/2020

Period 2 FY 2020	Period 2 FY 2021	Period 2 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
317,087	339,121	260,556	78,565	30.2%	<b>OPERATING REVENUE</b>					
(233,586)	(253,449)	(192,904)	(60,545)	(31.4%)	<b>Gross Revenue</b>	631,150	672,350	515,359	156,990	30.5%
<b>83,501</b>	<b>85,672</b>	<b>67,652</b>	<b>18,020</b>	<b>26.6%</b>	<b>Deductions</b>	(462,141)	(500,809)	(381,588)	(119,221)	(31.2%)
3,821	4,331	4,429	(98)	(2.2%)	<b>Net Patient Revenue</b>	<b>169,009</b>	<b>171,540</b>	<b>133,771</b>	<b>37,769</b>	<b>28.2%</b>
<b>87,322</b>	<b>90,003</b>	<b>72,081</b>	<b>17,922</b>	<b>24.9%</b>	<b>Other Operating Revenue</b>	7,931	8,998	8,810	188	2.1%
					<b>Total Operating Revenue</b>	<b>176,940</b>	<b>180,538</b>	<b>142,581</b>	<b>37,957</b>	<b>26.6%</b>
					<b>OPERATING EXPENSE</b>					
46,023	47,739	43,540	(4,198)	(9.6%)	<b>Salaries &amp; Wages</b>	91,104	94,170	86,871	(7,298)	(8.4%)
13,122	16,893	10,692	(6,202)	(58.0%)	<b>Supplies</b>	26,433	29,713	21,175	(8,539)	(40.3%)
13,814	14,366	14,481	115	0.8%	<b>Fees &amp; Purchased Services</b>	27,153	27,284	29,042	1,758	6.1%
3,595	3,596	4,213	617	14.6%	<b>Other Operating Expense</b>	6,940	7,179	7,726	548	7.1%
534	1,431	926	(505)	(54.5%)	<b>Interest</b>	1,065	2,859	1,848	(1,011)	(54.7%)
4,426	5,328	5,804	476	8.2%	<b>Depreciation</b>	8,991	10,559	11,615	1,056	9.1%
<b>81,514</b>	<b>89,352</b>	<b>79,655</b>	<b>(9,697)</b>	<b>(12.2%)</b>	<b>Total Operating Expense</b>	<b>161,686</b>	<b>171,763</b>	<b>158,278</b>	<b>(13,486)</b>	<b>(8.5%)</b>
<b>5,808</b>	<b>651</b>	<b>(7,574)</b>	<b>8,225</b>	<b>(108.6%)</b>	<b>Net Operating Margin</b>	<b>15,254</b>	<b>8,775</b>	<b>(15,696)</b>	<b>24,471</b>	<b>(155.9%)</b>
3,927	28,642	1,499	27,143	1810.9%	<b>Non Operating Income</b>	3,538	56,360	4,502	51,859	1152.0%
<b>9,735</b>	<b>29,293</b>	<b>(6,075)</b>	<b>35,368</b>	<b>(582.2%)</b>	<b>Net Margin</b>	<b>18,792</b>	<b>65,135</b>	<b>(11,195)</b>	<b>76,330</b>	<b>(681.8%)</b>
<b>12.3%</b>	<b>8.2%</b>	<b>-1.2%</b>	<b>9.4%</b>		<b>EBIDA</b>	14.3%	12.3%	-1.6%	13.9%	
6.7%	0.7%	-10.5%	11.2%		<b>Operating Margin</b>	8.6%	4.9%	-11.0%	15.9%	
11.1%	32.5%	-8.4%	41.0%		<b>Net Margin</b>	10.6%	36.1%	-7.9%	43.9%	

## Dashboard - as of August 31, 2020

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
<b>Consolidated Financial Perf.</b>								
Total Operating Revenue	87,322	90,003	72,081	17,922	176,940	180,538	142,581	37,957
Operating Expenses	81,514	89,352	79,655	(9,697)	161,686	171,763	158,278	(13,486)
Operating Margin \$	5,808	651	(7,574)	8,225	15,254	8,775	(15,696)	24,471
Operating Margin %	6.7%	0.7%	(10.5%)	11.2%	8.6%	4.9%	(11.0%)	15.9%
EBIDA \$	10,768	7,410	(844)	8,254	25,310	22,193	(2,233)	24,426
EBIDA %	12.3%	8.2%	(1.2%)	9.4%	14.3%	12.3%	(1.6%)	13.9%
<b>Hospital Volume</b>								
<b>Licensed Beds</b>	443	454	454	-	443	454	454	-
ADC	219	241	190	51	227	232	187	45
Utilization MV	60%	62%	49%	13.2%	61%	60%	48%	11.6%
Utilization LG	28%	33%	26%	7.1%	30%	32%	26%	6.2%
Utilization Combined	49%	53%	42%	11.3%	51%	51%	41%	9.9%
Adjusted Discharges	3,338	2,996	2,471	525	6,439	5,841	4,890	951
Total Discharges (Excl NNB)	1,692	1,619	1,331	288	3,378	3,093	2,633	460
Total Discharges	2,073	2,005	1,660	345	4,098	3,819	3,287	532
<b>Inpatient Cases</b>								
MS Discharges	1,153	1,042	820	222	2,344	2,014	1,621	393
Deliveries	401	414	347	67	754	783	691	92
BHS	98	114	120	(6)	193	201	234	(33)
Rehab	40	49	44	5	87	95	86	9
<b>Outpatient Cases</b>	13,315	15,254	9,910	5,344	25,692	30,149	19,616	10,533
ED	4,135	3,118	2,398	720	8,288	6,291	4,695	1,596
<b>Procedural Cases</b>								
OP Surg	522	500	327	173	999	1,014	651	363
Endo	235	228	134	94	432	485	264	221
Interventional	191	160	92	68	345	346	177	169
All Other	8,232	11,248	6,960	4,288	15,628	22,013	13,830	8,183
<b>Hospital Payor Mix</b>								
Medicare	47.8%	48.0%	48.4%	(0.4%)	48.6%	47.6%	48.4%	(0.8%)
Medi-Cal	8.1%	6.9%	7.4%	(0.5%)	7.9%	7.1%	7.3%	(0.3%)
Commercial IP	20.1%	20.4%	20.7%	(0.3%)	19.7%	20.7%	20.7%	0.1%
Commercial OP	22.5%	21.7%	21.1%	0.6%	21.7%	22.1%	21.1%	1.0%
Total Commercial	42.6%	42.1%	41.7%	0.3%	41.4%	42.9%	41.7%	1.1%
Other	1.6%	3.0%	2.5%	0.6%	2.1%	2.4%	2.5%	(0.0%)
<b>Hospital Cost</b>								
Total FTE <sup>1</sup>	2,737.1	2,749.7	2,822.1	72.4	2,743.7	2,719.8	2,811.0	91.2
Productive Hrs/APD	31.6	31.1	35.9	4.8	31.4	31.1	36.2	5.1
<b>Consolidated Balance Sheet</b>								
Net Days in AR	48.6	50.0	49.0	(1.0)	48.6	50.0	49.0	(1.0)
Days Cash	469	528	435	92	469	528	435	92

<sup>1</sup> Paid FTE; Budget in this case is using the Flex Budget instead of Fixed Budget

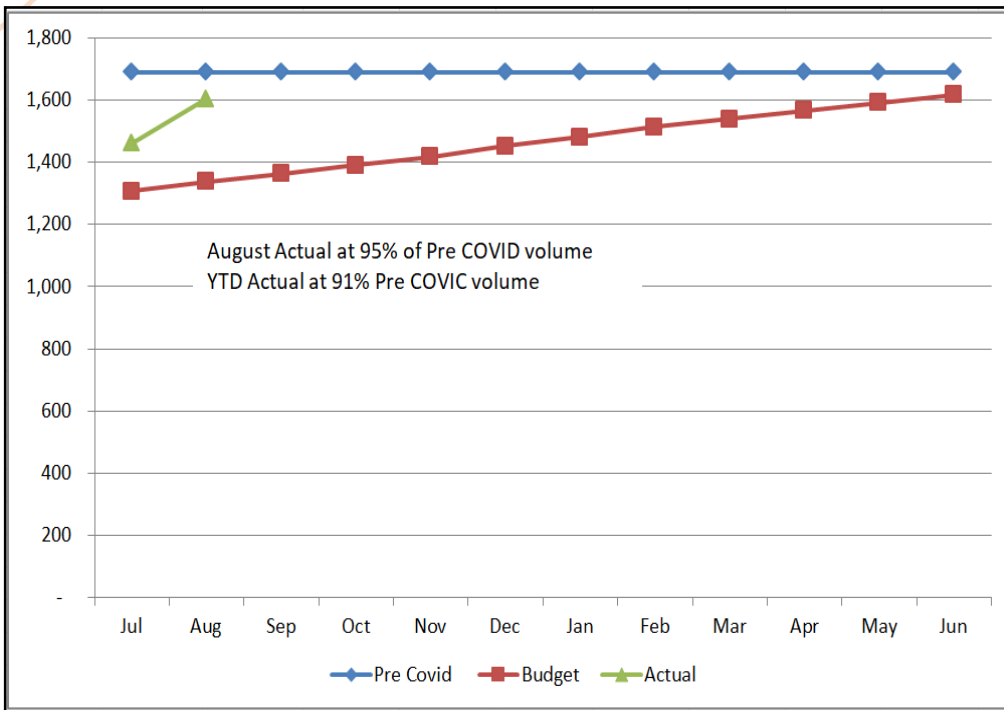


# APPENDIX

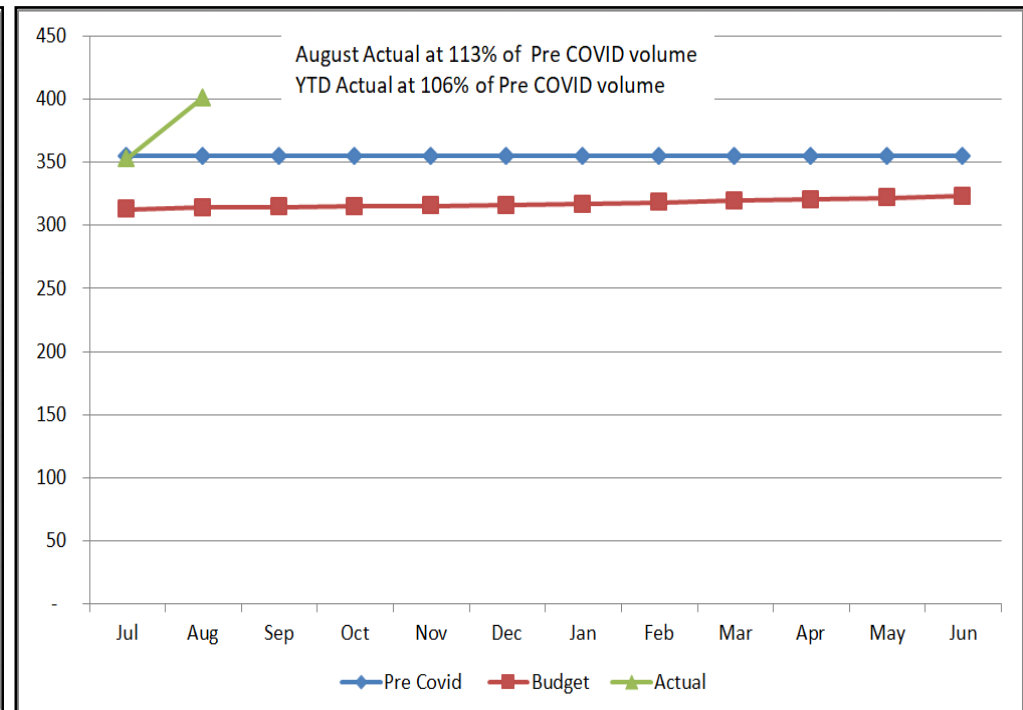
# August Volume – Inpatient

## 2021 Budget vs Actual – Including Pre COVID Level

MV



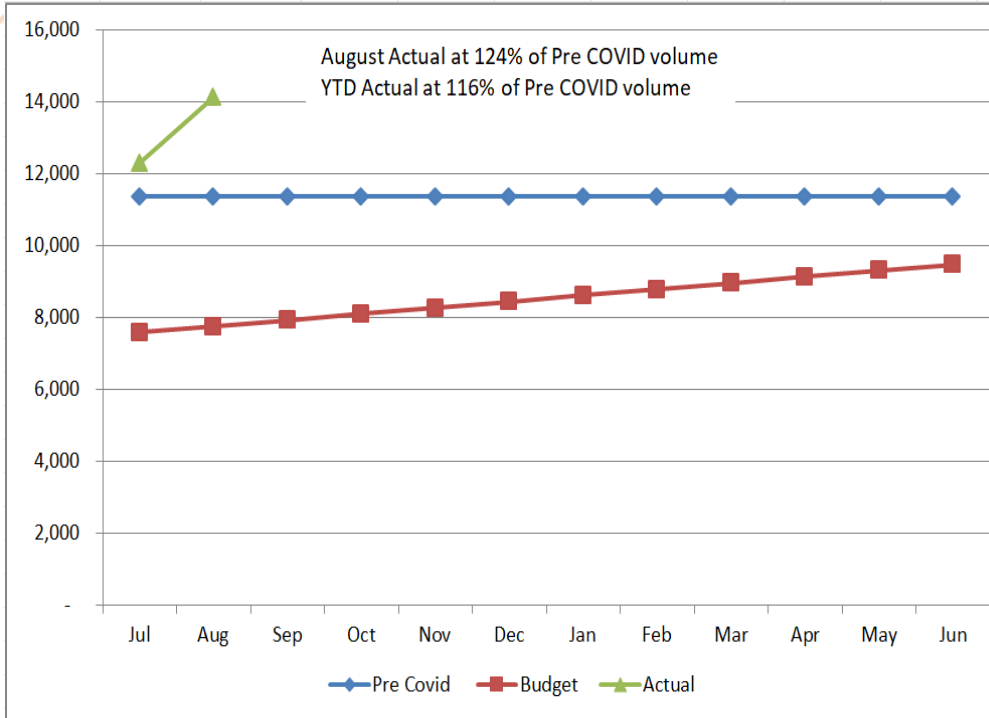
LG



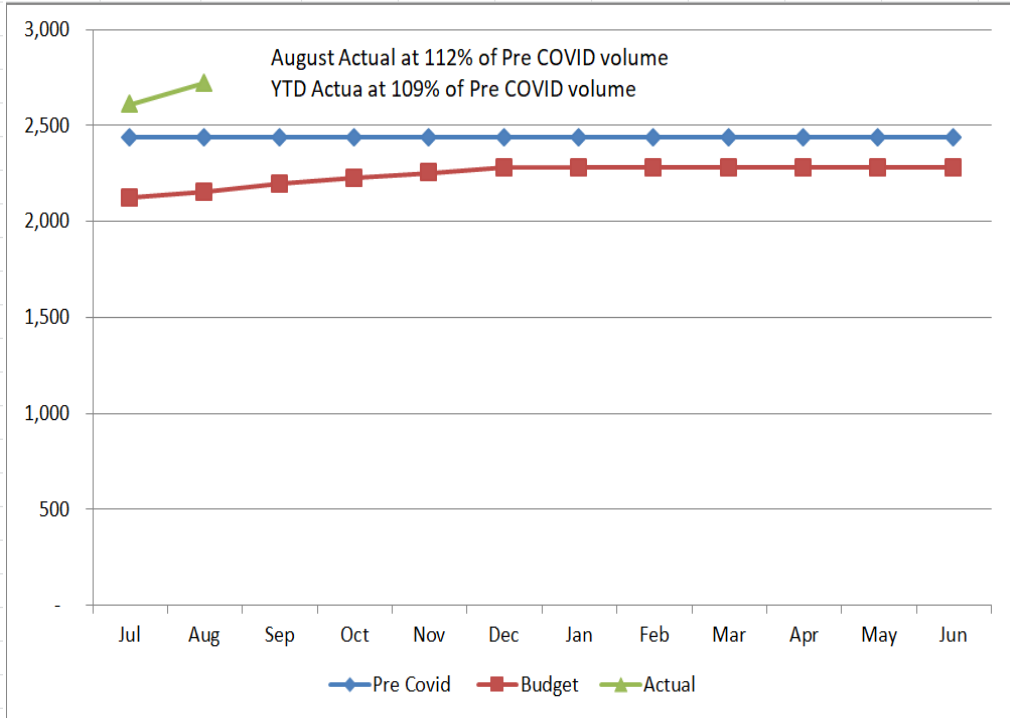
# August Volume – Outpatient

## 2021 Budget vs Actual – Including Pre COVID Level

MV



LG



## Investment Scorecard as of June 30, 2020

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY20 Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		<b>2Q 2020</b>		<b>Fiscal Year-to-date</b>		<b>7y 8m Since Inception (annualized)</b>		<b>FY 2020</b>	<b>2019</b>
Surplus cash balance*		\$1,076.6	--	--	--	--	--	--	--
Surplus cash return	Green	10.2%	9.7%	3.6%	4.0%	5.4%	5.3%	4.0%	5.6%
Cash balance plan balance (millions)		\$286.7	--	--	--	--	--	--	--
Cash balance plan return	Green	13.2%	11.3%	3.8%	3.7%	7.3%	6.6%	6.0%	6.0%
403(b) plan balance (millions)		\$551.4	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		<b>3-year</b>			<b>7y 8m Since Inception (annualized)</b>				<b>2019</b>
Surplus cash Sharpe ratio	Green	0.47	0.46	--	--	0.78	0.78	--	0.34
Net of fee return	Green	5.3%	5.2%	--	--	5.4%	5.3%	--	5.6%
Standard deviation	Green	7.9%	7.6%	--	--	6.9%	5.8%	--	8.7%
Cash balance Sharpe ratio	Green	0.48	0.45	--	--	0.85	0.83	--	0.32
Net of fee return	Green	6.3%	5.6%	--	--	7.3%	6.6%	--	6.0%
Standard deviation	Green	10.0%	9.1%	--	--	7.6%	7.1%	--	10.3%
<b>Asset Allocation</b>		<b>2Q 2020</b>							
Surplus cash absolute variances to target	Yellow	12.5%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target	Yellow	11.7%	< 10% Green < 20% Yellow	--	--	--	--	--	--
<b>Manager Compliance</b>		<b>2Q 2020</b>							
Surplus cash manager flags	Green	18	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags	Green	21	< 27 Green < 34 Yellow	--	--	--	--	--	--

\*Excludes debt reserve funds (~\$21 mm), District assets (~\$42 mm), and balance sheet cash not in investable portfolio (\$234 mm). Includes Foundation (~\$36 mm) and Concern (~\$14 mm) assets.