

Posted
Friday
August 25, 2023

FINANCE COMMITTEE MEETING

Agenda

WEDNESDAY, AUGUST 23, 2023
1:30 P.M.



PLEASE SEE PAGE 2 FOR MEETING LOCATION

PLEASE TURN OFF CELL PHONES OR SET THEM TO SILENT MODE
UPON ENTERING THE MEETING ROOM

| | Time | Form A Page | Target |
|--|------|-------------|--------|
| CALL TO ORDER | | | 1:30 |
| ❖ Public Comments ¹ | 30 | | 2:00 |
| 1. Board Finance Committee Follow-ups – NONE | | | 2:30 |
| 2. * Approval: Minutes – Finance Committee – Wednesday, May 4, 2023 (<i>ADD A – Pp9-18</i>)..... | 3 | 4 | 2:33 |
| 3. * Approval: Minutes – Finance Committee – Wednesday, May 31, 2023 (<i>May be presented at the meeting</i>)..... | 2 | 5 | 2:35 |
| 4. * Approval: Minutes – Finance Committee – Wednesday, July 26, 2023 (<i>May be presented at the meeting</i>)..... | 2 | 6 | 2:37 |
| 5. * Approval: Executed Budgeted Routine Physician Agreements (<i>ADD B – Pp19-27</i>)..... | 3 | 7 | 2:40 |
| 6. * Review: June 2023 & YTD FY2023 Pre-Audit Financial Report (<i>Separate cover/to be presented at the meeting</i>) .. | 15 | 8 | 2:55 |
| ADJOURNMENT | | | 2:55 |

NOTE: The meeting—without public comments—is scheduled to last 25 minutes, starting at 1:30 p.m., with adjournment at 2:25 p.m.

| Board Finance Committee – Voting Members | | |
|--|---|--|
| Laura Barry – Chair | Mike Pacheco – Director | Jeff Griffith, EMT-P - Director |
| Diane Hansen, President & CEO | Kanchan Koirala, MD, CoS Palomar Medical Center Escondido | Sam Filiciotto, MD, CoS Palomar Medical Center Poway |
| Board Finance Committee – Alternate Voting Members | | |
| Laurie Edwards-Tate, MS Board Alternate | Andrew Nguyen, MD – CoS-Elect CoS Alternate – Palomar Medical Center Escondido | Mark Goldsworthy, MD – CoS-Elect CoS Alternate – Palomar Medical Center Poway |
| Board Finance Committee – Non-Voting Members | | |
| Hugh King, CFO | Ryan Olsen, COO | Omar Khawaja, MD, CMO |
| Mel Russell, RN, CNE | | Melissa Wallace, Vice President of Finance |

NOTE: If you have a disability, please notify us 72 hours prior to the event so that we may provide reasonable accommodations

Item #6 is attached as
supplemental
information

* Asterisks indicate anticipated action. Action is not limited to those designated items.

¹ See page 3



Fiscal Year 2023 Financial Performance Unaudited

*Supplemental Section includes Palomar Health Medical Group (PHMG) and Consolidating Schedules

June 2023

| | |
|--|----|
| Management Discussion and Analysis June 2023 & YTD FY2023 Pre-Audit | 3 |
| Executive Month-to-Date Financial Performance | 8 |
| Executive Quarter-to-Date Financial Performance | 10 |
| Income Statements | |
| Current Month | 12 |
| Fourth Quarter..... | 13 |
| Year-to-Date | 14 |
| Current Month vs. Prior Year Month | 15 |
| Current Year vs. Prior Year | 16 |
| Monthly Trend | 17 |
| 13-Month Trend | 18 |
| Budget Comparison Statistical Indicators | |
| ER Payor Mix | 19 |
| Gross Revenue Payor Mix | 20 |
| Statement of Net Position | |
| Excludes G.O. Bonds | 21 |
| Includes G.O. Bonds | 22 |
| Cash Flow Statement | 23 |
| Condensed Combining Statement of Revenue, Expenses & Changes in Net Position | 24 |
| Condensed Combining Statement of Net Position | 25 |
| Investment Fund - Quarter Ended June 30, 2023, Yield Analysis | 26 |

Net loss from operations for the month was \$5.3 million, unfavorable to budget by \$9.5 million. The year-to-date income from operations was \$3.1 million with a \$51.9 million unfavorable variance. Net loss for the month was \$535 thousand, unfavorable to budget by \$3.4 million. Net loss year-to-date was \$2.3 million and unfavorable variance of \$51.0 million.

EBIDA margin for the month of June was unfavorable to budget by 9.9% and year-to-date EBIDA margin was unfavorable to budget by 1.7%. Additional comments and further analyses are presented in the following sections.

Patient Utilization

Inpatient (IP) Services

For the month of June, Acute Discharges for the District were (9.1%) unfavorable to budget. Average Daily Census was (8.3%) unfavorable to budget. Adjusted Discharges were 3,396, which was 157 (4.4%) unfavorable to budget. Adjusted Patient Days were 18,618, which was 593 (3.1%) unfavorable to budget.

IP surgeries for PMC Escondido and PMC Poway for the month were 496 cases (includes CVS), which were 66 cases (11.7%) unfavorable to budget.

Deliveries for PMC Escondido and PMC Poway for the month were 348, which were 105 deliveries (23.1%) unfavorable to budget. For the month, Trauma admissions were 114, which was 0.9% favorable to budget.

Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway for the month were 579 cases, which were 78 cases 15.5% favorable to budget. Outpatient ER visits for the month were 9,632 visits (includes trauma), which were 1,723 visits (15.2%) unfavorable to budget. OP registrations for the month were 10,407, which were (4.6%) favorable to budget. ER admissions for the month were 1,424, which were (24.3%) unfavorable to budget.

Financial Performance

Operating Revenue

Net Patient Revenue for the month was \$65.7 million, which was \$8.4 million (11.3%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$1.7 million, which was \$892 thousand (109.7%) favorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$72.7 million, which was \$2.0 million (2.9%) unfavorable to budget.

Salaries, Wages & Contract Labor for the month were \$33.6 million, which was \$1.6 million (5.1%) unfavorable to budget.

Benefits for the month were \$7.3 million, which was \$1.9 million (20.1%) favorable to budget.

Supplies for the month were \$10.2 million, which was \$168 thousand (1.7%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$14.9 million, which was \$2.7 million (22.2%) unfavorable to budget.

Depreciation & Amortization for the month was \$10.3 million, which was \$6.5 million (170.9%) unfavorable to budget.

Other Direct Expenses for the month were -\$3.7 million, which was \$7.1 million (209.8%) favorable to budget.

Net Non-Operating Income/Expense

Net Non-Operating Income for the month was \$4.8 million, which was \$6.2 million favorable to budget due to year-end investments, county redevelopment distribution and lease agreements.

Payor Mix, Net Days in Accounts Receivable (A/R) and Cash Collections

The percentages of Gross Patient Service Revenue from the Medicare, Managed Care Medicare, Managed Care, Medi-Cal and Managed Care Medi-Cal financial classes for the month were consistent with budget. Cash postings were \$63.1 million. Days in Net A/R are 82.4, a decrease of .1 days from May.

Revenue Cycle - Key Performance Indicators (KPIs)

| Key Performance Indicators (KPI) | January 2021 | April 2023 | May 2023 | June 2023 | Target |
|---|-----------------|---------------|---------------|---------------|-----------|
| Total Net A/R (\$) ¹ | \$137,851,805 | \$191,983,894 | \$190,120,452 | \$185,075,148 | |
| Net Days in A/R (Days) (3-months) | 64.6 | 80.6 | 82.5 | 82.4 | 61.0-63.0 |
| DNFB (Days) | 2.0 | 1.8 | 1.7 | 1.7 | 3.0 |
| Urgent Insurance Verification (DDC) (%) | 98.9% | n/a | n/a | n/a | 98.0% |
| Elective IP Insurance Verification (Average Secure) (%) | 93.8% | n/a | n/a | n/a | 98.0% |
| Elective OP Insurance Verification (Average Secure) (%) | 97.9% | n/a | n/a | n/a | 98.0% |
| True Cash Denial (%) | 5.2% | 6.6% | 5.4% | 6.1% | 6.0% |

¹ Total Net A/R (\$) does not have a FY2022 Target as \$ is dependent on Gross Revenue

Please see Appendix A, which contains a glossary of the Key Performance Indicators presented above.

Balance Sheet

Cash, Cash Equivalents and Investments increased in June by \$63.5 million due to the receipt of real estate transactions, state supplemental program payments and revenue cycle improvements.

The Days Cash On Hand ratio increased by 29.6 days from the prior month to 61.9 days.

Total Net A/R: This is the total amount of accounts receivable which management expects to collect from patients, insurance companies, Medicare and Medi-Cal, in future months, for services to patients through the end of the current accounting period. This number is computed by subtracting estimated contractual adjustments, bad debts and charity write-offs from gross accounts receivable.

Net Days in A/R (Days): The full name for this performance indicator is “Net Days of Revenue in Net Accounts Receivable.” This statistic is a measure of the effectiveness of the organization’s collections of revenue. For example, if the organization has average daily net revenues of \$2 million and \$140 million in Net A/R, then the organization has 70 days of net revenue/potential cash (\$140M divided by \$2M) tied up in its Accounts Receivable.

DNFB (Days): The full name for this performance indicator is **D**ischarged **N**ot **F**inal **B**illed Revenue. Before a hospital bill can be completed and sent to an insurance company, patient, Medicare or Medi-Cal certain information must be completed and entered in the system and submitted as components of the bill. This information includes specific codes for the services performed using the **C**urrent **P**rocedural **T**erminology codes (CPT-4) as defined by the American Medical Association or the **H**ealthcare **C**ommon **P**rocedure **C**oding **S**ystem (HCPCS) as defined by the Medicare Program. Additionally, the **I**nternational **C**lassification of **D**isease codes (ICD-10) which define a patient’s various illnesses must be included in the billing information. This information is inserted in the patient billing information by employees certified in these coding methodologies based on information in the patient’s medical record. Certified coding specialists rely heavily on clinical information supplied by the patient and physicians including History and Physical Reports, Operative Reports and Discharge Summaries. This performance indicator measures the effectiveness of the billing process. Bills cannot be collected if they are not submitted and this indicator shows the average time required between the time a patient is discharged and the time the bill is submitted. The lower the number the better the performance. A number below 3.0 is considered best practice.

Urgent Insurance Verification (DDC) (%): In order to ensure the organization is properly paid for its services it needs to confirm the patient is insured and whether the patient’s insurance covers the services to be rendered. Additionally, some insurers and HMOs require a pre-authorization or pre-certification before they will authorize payment for the services. This verification must be performed very quickly for certain patients. Failure to verify insurance and obtain pre-authorizations, if necessary, significantly reduces the probability of collecting for the services rendered. This performance metric measures the percentage of time insurance verification is obtained for urgent cases prior to the service being rendered. A higher percentage is better. A percentage in excess of 98% is considered best practice.

Elective IP Insurance Verification (Average Secure) (%): In order to ensure the organization is properly paid for its services it needs to confirm the patient is insured and whether the patient's insurance covers the services to be rendered. Additionally, some insurers and HMOs require a pre-authorization or pre-certification before they will authorize payment for services. For inpatient elective procedures/cases, this verification process is critical for payment. Failure to verify insurance and obtain pre-authorizations, if necessary, significantly reduces the probability of collecting for the services rendered. This performance metric measures the percentage of time insurance verification is obtained for elective inpatient cases prior the service billing rendered. A higher percentage is better. A percentage of 95% is considered best practice.

Elective OP Insurance Verification (Average Secure) (%): In order to ensure the organization is properly paid for its services it needs to confirm the patient is insured and whether the patient's insurance covers the services to be rendered. Additionally, some insurers and HMOs require a pre-authorization or pre-certification before they will authorize payment for services. For outpatient elective procedures/cases, this verification process is critical for payment. Failure to verify insurance and obtain pre-authorizations, if necessary, significantly reduces the probability of collecting for the services rendered. This performance metric measures the percentage of time insurance verification is obtained for elective outpatient cases prior the service billing rendered. A higher percentage is better. A percentage of 95% is considered best practice.

True Cash Denial Rate (%): Once claims (bills) are submitted, insurance companies, Medicare and Medi-Cal may deny those claims. Denials may occur for several reasons including:

- Insurance was not valid for the name patient
- The procedure performed was not covered by the patient's insurance
- The provider did not obtain pre-authorization to perform the procedure
- The procedure was not medically necessary
- The bill was received outside the contractually agreed upon timetable

This performance indicator measures whether the organization's processes for insurance verification, obtaining pre-authorization, medical necessity verification and timely billing are working effectively. The measurement is computed by dividing the dollar value of the denials for a twelve-month period by the total annual billings for that same period. A lower percentage indicates better performance with a percentage below 10% is considered best practice.

Prior to Fiscal Year 2021, gross charges were reflected instead of the true cash/AR balance at risk.

| | Month to Date | | | | Year to Date | | | |
|--|---------------|---------------|----------------|---------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| | Jun-23 | Jun-23 | | Jun-22 | Jun-23 | Jun-23 | | Jun-22 |
| Key Volumes | | | | | | | | |
| Discharges - Total | 2,017 | 2,235 | (9.8%) | 2,270 | 25,079 | 28,375 | (11.6%) | 24,473 |
| Acute - General | 1,926 | 2,097 | (8.2%) | 2,157 | 23,889 | 26,700 | (10.5%) | 22,983 |
| Acute Behavioral Health | 41 | 67 | (38.8%) | 63 | 564 | 843 | (33.1%) | 801 |
| Total Acute Discharges | 1,967 | 2,164 | (9.1%) | 2,220 | 24,453 | 27,543 | (11.2%) | 23,784 |
| The Villas at Poway | 50 | 70 | (29.0%) | 50 | 626 | 832 | (24.8%) | 689 |
| Patient Days - Total | 12,194 | 13,301 | (8.3%) | 11,130 | 146,639 | 165,672 | (11.5%) | 146,650 |
| Acute - General | 8,861 | 8,886 | (0.3%) | 7,592 | 104,551 | 113,561 | (7.9%) | 100,402 |
| Acute Behavioral Health | 333 | 815 | (59.2%) | 651 | 4,496 | 9,411 | (52.2%) | 9,170 |
| Total Acute Patient Days | 9,194 | 9,701 | (5.2%) | 8,243 | 109,047 | 122,972 | (11.3%) | 109,572 |
| The Villas at Poway | 3,000 | 3,600 | (16.7%) | 2,887 | 37,592 | 42,700 | (12.0%) | 37,078 |
| Acute Adjusted Discharges | 3,341 | 3,483 | (4.1%) | 3,839 | 41,282 | 44,321 | (6.9%) | 34,870 |
| Total Adjusted Discharges* | 3,396 | 3,553 | (4.4%) | 3,900 | 42,057 | 45,154 | (6.9%) | 39,596 |
| Acute Adjusted Patient Days | 15,618 | 15,611 | 0.0% | 14,621 | 183,994 | 197,874 | (7.0%) | 163,567 |
| Total Adjusted Patient Days* | 18,618 | 19,211 | (3.1%) | 17,471 | 221,586 | 240,574 | (7.9%) | 197,758 |
| Acute Average Daily Census | 306 | 323 | (5.2%) | 275 | 299 | 337 | (11.3%) | 300 |
| Total Average Daily Census* | 406 | 443 | (8.3%) | 371 | 402 | 454 | (11.5%) | 402 |
| Surgeries - Total | 1,075 | 1,063 | 1.1% | 950 | 12,142 | 11,931 | 1.8% | 11,506 |
| Inpatient | 496 | 562 | (11.7%) | 449 | 5,920 | 6,581 | (10.1%) | 5,584 |
| Outpatient | 579 | 501 | 15.5% | 501 | 6,222 | 5,349 | 16.3% | 5,934 |
| Deliveries | 348 | 453 | (23.1%) | 329 | 4,567 | 5,243 | (12.9%) | 4,012 |
| ER Visits (Includes Trauma) - Total | 11,056 | 13,237 | (16.5%) | 11,465 | 134,449 | 132,103 | 1.8% | 120,043 |
| Inpatient | 1,424 | 1,882 | (24.3%) | 1,482 | 17,328 | 20,572 | (15.8%) | 16,998 |
| Outpatient | 9,632 | 11,355 | (15.2%) | 9,983 | 117,121 | 111,531 | 5.0% | 103,045 |

* Includes The Villas at Poway

| | Month to Date | | | | Year to Date | | | |
|------------------------------------|---------------|-----------|-------------|------------|--------------|-------------|--------------|-------------|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| | Jun-23 | Jun-23 | | Jun-22 | Jun-23 | Jun-23 | | Jun-22 |
| Key Statistics | | | | | | | | |
| Acute Average LOS - Days | 4.67 | 4.46 | (4.8%) | 3.71 | 4.46 | 4.45 | (0.2%) | 4.61 |
| Acute - General | 4.60 | 4.24 | (8.6%) | 3.52 | 4.38 | 4.25 | (2.9%) | 4.37 |
| Acute Behavioral Health | 8.12 | 12.17 | 33.3% | 10.33 | 7.97 | 11.16 | 28.6% | 11.45 |
| Average Observation Hours | 31 | 31 | 0.0% | 31 | 32 | 29 | (10.3%) | 29 |
| Acute Case Mix-Excludes Deliveries | 1.63 | 1.63 | 0.00 | 1.63 | 1.62 | 1.62 | (0.1%) | 1.62 |
| Acute Case Mix-Medicare Only | 1.92 | 1.86 | 3.0% | 1.86 | 1.85 | 1.83 | 1.2% | 1.83 |
| Labor Productivity by Hrs | | | | | 102.7% | 100.0% | 2.7% | 122.9% |
| Days Cash on Hand | | | | | 91.5 | | | 122.9 |
| Financial Performance | | | | | | | | |
| Operating Income | (5,295,697) | 4,244,816 | (9,540,513) | 4,101,839 | 3,080,403 | 54,999,998 | (51,919,595) | 42,070,594 |
| Net Income | (535,355) | 2,837,080 | (3,372,435) | 11,412,174 | (2,381,495) | 48,598,446 | (50,979,941) | 42,792,231 |
| Oper. Expenses/Adj. Patient Days | 3,351 | 3,479 | 3.7% | 2,813 | 3,563 | 3,339 | (6.7%) | 3,579 |
| EBIDA Margin-Excludes PHMG | 22.3% | 12.0% | 10.3% | 33.7% | 12.0% | 13.6% | (1.6%) | 16.5% |
| EBIDA-Excludes PHMG | 15,036,291 | 9,009,854 | 6,026,437 | 21,200,068 | 94,696,402 | 122,835,935 | (28,139,533) | 118,520,774 |

Note: Financial Performance excludes GO Bonds

| | Quarter to Date | | | | Year to Date | | | |
|--|-----------------|---------------|----------------|---------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| | Jun-23 | Jun-23 | | Jun-22 | Jun-23 | Jun-23 | | Jun-22 |
| Key Volumes | | | | | | | | |
| Discharges - Total | 6,094 | 6,820 | (10.6%) | 6,178 | 25,079 | 28,375 | (11.6%) | 24,473 |
| Acute - General | 5,794 | 6,398 | (9.4%) | 5,820 | 23,889 | 26,700 | (10.5%) | 22,983 |
| Acute Behavioral Health | 139 | 208 | (33.2%) | 191 | 564 | 843 | (33.1%) | 801 |
| Total Acute Discharges | 5,933 | 6,606 | (10.2%) | 6,011 | 24,453 | 27,543 | (11.2%) | 23,784 |
| The Villas at Poway | 161 | 213 | (24.5%) | 167 | 626 | 832 | (24.8%) | 689 |
| Patient Days - Total | 36,631 | 40,596 | (9.8%) | 33,755 | 146,639 | 165,672 | (11.5%) | 146,650 |
| Acute - General | 26,281 | 27,248 | (3.6%) | 22,343 | 104,551 | 113,561 | (7.9%) | 100,402 |
| Acute Behavioral Health | 975 | 2,429 | (59.9%) | 2,217 | 4,496 | 9,411 | (52.2%) | 9,170 |
| Total Acute Patient Days | 27,256 | 29,676 | (8.2%) | 24,560 | 109,047 | 122,972 | (11.3%) | 109,572 |
| The Villas at Poway | 9,375 | 10,920 | (14.2%) | 9,195 | 37,592 | 42,700 | (12.0%) | 37,078 |
| Acute Adjusted Discharges | 10,109 | 10,631 | (4.9%) | 10,287 | 41,282 | 44,321 | (6.9%) | 38,709 |
| Total Adjusted Discharges* | 10,306 | 10,844 | (5.0%) | 10,500 | 42,057 | 45,154 | (6.9%) | 39,596 |
| Acute Adjusted Patient Days | 46,428 | 47,753 | (2.8%) | 42,377 | 183,994 | 197,874 | (7.0%) | 178,188 |
| Total Adjusted Patient Days* | 55,803 | 58,673 | (4.9%) | 51,535 | 221,586 | 240,574 | (7.9%) | 215,229 |
| Acute Average Daily Census | 510 | 525 | (2.8%) | 466 | 299 | 337 | (11.3%) | 300 |
| Total Average Daily Census* | 403 | 446 | (9.8%) | 371 | 402 | 454 | (11.5%) | 402 |
| Surgeries - Total | 3,117 | 3,119 | (0.1%) | 2,868 | 12,142 | 11,931 | 1.8% | 11,518 |
| Inpatient | 1,483 | 1,760 | (15.7%) | 1,340 | 5,920 | 6,581 | (10.1%) | 5,584 |
| Outpatient | 1,634 | 1,360 | 20.2% | 1,528 | 6,222 | 5,349 | 16.3% | 5,934 |
| Deliveries | 1,079 | 1,361 | (20.7%) | 957 | 4,567 | 5,243 | (12.9%) | 4,012 |
| ER Visits (Includes Trauma) - Total | 32,745 | 28,635 | 14.4% | 28,243 | 134,449 | 132,103 | 1.8% | 88,202 |
| Inpatient | 4,166 | 5,312 | (21.6%) | 4,114 | 17,328 | 20,572 | (15.8%) | 16,998 |
| Outpatient | 28,906 | 30,073 | (3.9%) | 27,727 | 117,121 | 111,531 | 5.0% | 103,045 |

* Includes The Villas at Poway

| | Quarter to Date | | | | Year to Date | | | |
|------------------------------------|-----------------|------------|--------------|------------|--------------|-------------|--------------|-------------|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| | Jun-23 | Jun-23 | | Jun-22 | Jun-23 | Jun-23 | | Jun-22 |
| Key Statistics | | | | | | | | |
| Acute Average LOS - Days | 4.59 | 4.49 | (2.3%) | 4.09 | 4.46 | (0.01) | (0.2%) | 4.61 |
| Acute - General | 4.54 | 4.26 | (6.5%) | 3.84 | 4.38 | 4.25 | (2.9%) | 4.37 |
| Acute Behavioral Health | 7.01 | 11.68 | 39.9% | 11.61 | 7.97 | 11.16 | 28.6% | 11.45 |
| Average Observation Hours | 35 | 31 | (14.2%) | 31 | 32 | 29 | (10.3%) | 29 |
| Acute Case Mix-Excludes Deliveries | 1.67 | 1.60 | 4.2% | 1.69 | 1.62 | 1.62 | (0.1%) | 1.62 |
| Acute Case Mix-Medicare Only | 1.90 | 1.81 | 5.2% | 1.89 | 1.85 | 1.83 | 1.2% | 1.83 |
| Labor Productivity by Hrs | | | | | 102.7% | 100.0% | 2.7% | 107.0% |
| Days Cash on Hand | | | | | 91.5 | | | 122.9 |
| Financial Performance | | | | | | | | |
| Operating Income | (3,792,682) | 13,095,410 | (16,888,092) | 5,872,763 | 3,080,403 | 54,999,998 | (51,919,595) | 42,070,594 |
| Net Income | (1,349,642) | 11,833,539 | (13,183,181) | 2,704,781 | (2,381,495) | 48,598,446 | (50,979,941) | 42,792,231 |
| Oper. Expenses/Adj. Patient Days | 3,471 | 3,401 | (2.1%) | 3,543 | 3,563 | 3,339 | (6.7%) | 3,288 |
| EBIDA Margin-Excludes PHMG | 15.2% | 13.6% | 1.7% | 10.4% | 12.0% | 13.6% | (1.6%) | 16.5% |
| EBIDA-Excludes PHMG | 31,735,013 | 30,432,589 | 1,302,424 | 20,838,256 | 94,696,402 | 122,835,935 | (28,139,533) | 118,520,774 |

Note: Financial Performance excludes GO Bonds

Income Statement: Current Month

Excludes PHMG

| | Actual | Budget | Variance | Variance | | Dollars/Adjusted Patient Day | | |
|---------------------------------------|---------------|---------------|--------------|--------------|----------------|------------------------------|-------------|----------|
| | Jun-23 | Jun-23 | Jun-23 | Volume | Rate/Eff | Actual | Budget | Variance |
| Adjusted Patient Days | 18,618 | 19,211 | (593) | | | | | |
| Adjusted Discharges | 3,396 | 3,553 | (157) | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 418,042,260 | 438,205,953 | (20,163,693) | (13,526,424) | (6,637,269.16) | 22,453.66 | 22,810.16 | (356) |
| Deductions from revenue | (352,377,727) | (364,139,233) | 11,761,506 | 11,240,152 | 521,354 | (18,926.72) | (18,954.73) | 28 |
| Net patient revenue | 65,664,533 | 74,066,720 | (8,402,187) | (2,286,272) | (6,115,915) | 3,527 | 3,855 | (328) |
| Other operating revenue | 1,706,452 | 813,734 | 892,718 | (25,118.12) | 917,835.87 | 91.66 | 42.36 | 49 |
| Total net revenue | 67,370,985 | 74,880,454 | (7,509,469) | (2,311,390) | (5,198,079) | 3,619 | 3,898 | (279) |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 33,649,709 | 32,012,778 | (1,636,931) | 988,162 | (2,625,093) | 1,807 | 1,666 | (141) |
| Benefits | 7,348,485 | 9,201,501 | 1,853,016 | 284,029 | 1,568,987 | 395 | 479 | 84 |
| Supplies | 10,259,179 | 10,091,655 | (167,524) | 311,507 | (479,031) | 551 | 525 | (26) |
| Prof fees & purch svcs | 14,850,803 | 12,157,603 | (2,693,200) | 375,278 | (3,068,477) | 798 | 633 | (165) |
| Depreciation | 10,269,902 | 3,790,467 | (6,479,435) | 117,003 | (6,596,438) | 552 | 197 | (354) |
| Other | (3,711,396) | 3,381,634 | 7,093,030 | 104,383 | 6,988,647 | (199) | 176 | 375 |
| Total expenses | 72,666,682 | 70,635,638 | (2,031,044) | 2,180,362 | (4,211,406) | 3,903 | 3,677 | (226) |
| Income from operations | (5,295,697) | 4,244,816 | (9,540,513) | (131,028) | (9,409,485) | (284) | 221 | (505) |
| Non-operating revenue(expense) | | | | | | | | |
| Property tax revenues ¹ | 99,190 | 1,675,000 | (1,575,810) | | | | | |
| Interest rate swap | - | - | - | | | | | |
| Investment income | 4,579,488 | (944,628) | 5,524,116 | | | | | |
| Revenue bond interest expense | (4,445,867) | (2,382,307) | (2,063,560) | | | | | |
| Other non-operating revenue(expense) | 4,527,531 | 244,199 | 4,283,332 | | | | | |
| Net Income ² | (535,355) | 2,837,080 | (3,372,435) | | | | | |
| EBIDA Margin | 22.3% | 12.0% | 10.3% | | | | | |

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: 4th Quarter

Excludes PHMG

| | Actual | Budget | Variance | Variance | | Dollars/Adjusted Patient Day | | |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|------------------------------|--------------|--------------|
| | Jun-23 | Jun-23 | Jun-23 | Volume | Rate/Eff | Actual | Budget | Variance |
| Adjusted Patient Days | 55,803 | 58,673 | (2,870) | | | | | |
| Adjusted Discharges | 10,306 | 10,844 | (538) | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 1,243,231,971 | 1,308,076,784 | (64,844,813) | (63,984,803) | (860,010) | 22,279 | 22,294 | (15) |
| Deductions from revenue | (1,038,952,404) | (1,084,865,218) | 45,912,814 | 53,066,371 | (7,153,557) | (18,618) | (18,490) | (128) |
| Net patient revenue | 204,279,567 | 223,211,566 | (18,931,999) | (10,918,433) | (8,013,566) | 3,661 | 3,804 | (144) |
| Other operating revenue | 4,130,490 | 2,381,202 | 1,749,288 | (116,477) | 1,865,765 | 74 | 41 | 33 |
| Total net revenue | 208,410,057 | 225,592,768 | (17,182,711) | (11,034,909) | (6,147,802) | 3,735 | 3,845 | (110) |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 101,201,966 | 95,998,636 | (5,203,330) | 4,695,790 | (9,899,120) | 1,814 | 1,636 | (177) |
| Benefits | 20,643,531 | 27,801,488 | 7,157,957 | 1,359,915 | 5,798,042 | 370 | 474 | 104 |
| Supplies | 29,099,964 | 30,525,068 | 1,425,104 | 1,493,139 | (68,035) | 521 | 520 | (1) |
| Prof fees & purch svcs | 40,021,007 | 36,597,757 | (3,423,250) | 1,790,186 | (5,213,436) | 717 | 624 | (93) |
| Depreciation | 18,494,649 | 11,401,645 | (7,093,004) | 557,713 | (7,650,717) | 331 | 194 | (137) |
| Other | 2,741,622 | 10,144,918 | 7,403,296 | 496,240 | 6,907,056 | 49 | 173 | 124 |
| Total expenses | 212,202,739 | 212,469,512 | 266,773 | 10,392,983 | (10,126,210) | 3,803 | 3,621 | (181) |
| Income from operations | (3,792,682) | 13,123,256 | (16,915,938) | (641,926) | (16,274,012) | (68) | 224 | (292) |
| Non-operating revenue(expense) | | | | | | | | |
| Property tax revenues ¹ | 6,907,534 | 5,025,000 | 1,882,534 | | | | | |
| Interest Rate Swap | - | - | - | | | | | |
| Investment income | 6,898,241 | (777,884) | 7,676,125 | | | | | |
| Revenue bond interest expense | (12,569,919) | (7,146,909) | (5,423,010) | | | | | |
| Other non-operating revenue(expense) | 1,207,184 | 672,613 | 534,571 | | | | | |
| Net Income ² | (1,349,642) | 10,896,076 | (12,245,718) | | | | | |
| EBIDA Margin | 15.2% | 13.1% | 2.2% | | | | | |

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Year-to-Date

Excludes PHMG

| | Actual | Budget | Variance | Variance | | Dollars/Adjusted Patient Day | | |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|------------------------------|--------------|--------------|
| | Jun-23 | Jun-23 | Jun-23 | Volume | Rate/Eff | Actual | Budget | Variance |
| Adjusted Patient Days | 221,586 | 240,576 | (18,990) | | | | | |
| Adjusted Discharges | 42,057 | 45,154 | (3,097) | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 4,964,132,348 | 5,232,672,386 | (268,540,038) | (413,043,897) | 144,503,859 | 22,403 | 21,751 | 652 |
| Deductions from revenue | (4,129,663,654) | (4,338,252,097) | 208,588,443 | 342,442,336 | (133,853,893) | (18,637) | (18,033) | (604) |
| Net patient revenue | 834,468,694 | 894,420,289 | (59,951,595) | (70,601,562) | 10,649,966 | 3,766 | 3,718 | 48 |
| Other operating revenue | 12,229,805 | 9,524,811 | 2,704,994 | (751,846) | 3,456,840 | 55 | 40 | 16 |
| Total net revenue | 846,698,499 | 903,945,100 | (57,246,601) | (71,353,408) | 14,106,807 | 3,821 | 3,757 | 64 |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 403,706,616 | 385,591,162 | (18,115,454) | 30,436,852 | (48,552,307) | 1,822 | 1,603 | (219) |
| Benefits | 90,366,928 | 109,228,028 | 18,861,100 | 8,621,975 | 10,239,125 | 408 | 454 | 46 |
| Supplies | 119,389,719 | 120,324,036 | 934,317 | 9,497,845 | (8,563,527) | 539 | 500 | (39) |
| Prof fees & purch svcs | 144,709,607 | 147,940,445 | 3,230,838 | 11,677,761 | (8,446,923) | 653 | 615 | (38) |
| Depreciation | 54,028,594 | 45,649,849 | (8,378,745) | 3,603,396 | (11,982,142) | 244 | 190 | (54) |
| Other | 31,416,632 | 40,211,582 | 8,794,950 | 3,174,124 | 5,620,826 | 142 | 167 | 25 |
| Total expenses | 843,618,096 | 848,945,102 | 5,327,006 | 67,011,953 | (61,684,947) | 3,807 | 3,529 | (278) |
| Income from operations | 3,080,403 | 54,999,998 | (51,919,596) | (4,341,455) | (47,578,140) | 14 | 229 | (215) |
| Non-operating revenue(expense) | | | | | | | | |
| Property tax revenues ¹ | 21,982,534 | 20,100,000 | 1,882,534 | | | | | |
| Interest Rate Swap | 5,324,960 | - | 5,324,960 | | | | | |
| Investment income | 11,576,052 | (27,542) | 11,603,594 | | | | | |
| Revenue bond interest expense | (48,374,263) | (28,587,640) | (19,786,623) | | | | | |
| Other non-operating revenue(expense) | 4,028,819 | 2,113,630 | 1,915,189 | | | | | |
| Net Income ² | (2,381,495) | 48,598,446 | (50,979,942) | | | | | |
| EBIDA Margin | 12.0% | 13.6% | (1.6%) | | | | | |

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Current Month vs. Prior Year Month

Excludes PHMG

| | Current Month | Prior Year Month | Change | Variance | | Dollars/Adjusted Patient Day | | |
|---------------------------------------|-------------------|--------------------|---------------------|--------------------|---------------------|------------------------------|--------------|--------------|
| | Jun-23 | Jun-22 | | Volume | Rate/Eff | Actual | Budget | Variance |
| Adjusted Patient Days | 18,618 | 17,471 | 1,147 | | | | | |
| Adjusted Discharges | 3,396 | 3,900 | (504) | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 418,042,260 | 375,821,247 | 42,221,013 | 24,673,285 | 17,547,728 | 22,454 | 21,511 | 943 |
| Deductions from revenue | (352,377,727) | (314,241,456) | (38,136,271) | (20,630,470) | (17,505,801) | (18,927) | (17,986) | (940) |
| Net patient revenue | 65,664,533 | 61,579,791 | 4,084,742 | 4,042,815 | 41,927 | 3,527 | 3,525 | 2 |
| Other operating revenue | 1,706,452 | 1,310,521 | 395,931 | 86,038 | 309,893 | 92 | 75 | 17 |
| Total net revenue | 67,370,985 | 62,890,312 | 4,480,673 | 4,128,853 | 351,820 | 3,619 | 3,600 | 19 |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 33,649,709 | 24,928,515 | (8,721,194) | (1,636,598) | (7,084,596) | 1,807 | 1,427 | (381) |
| Benefits | 7,348,485 | 8,232,869 | 884,384 | (540,501) | 1,424,885 | 395 | 471 | 77 |
| Supplies | 10,259,179 | 9,987,179 | (272,000) | (655,675) | 383,675 | 551 | 572 | 21 |
| Prof fees & purch svcs | 14,850,803 | 12,623,669 | (2,227,134) | (828,765) | (1,398,369) | 798 | 723 | (75) |
| Depreciation | 10,269,902 | 9,639,591 | (630,311) | (632,855) | 2,544 | 552 | 552 | 0 |
| Other | (3,711,396) | (6,623,350) | (2,911,954) | 434,834 | (3,346,788) | (199) | (379) | (180) |
| Total expenses | 72,666,682 | 58,788,473 | (13,878,209) | (3,859,560) | (10,018,649) | 3,903 | 3,365 | (538) |
| Income from operations | (5,295,697) | 4,101,839 | (9,397,536) | 269,293 | (9,666,829) | (284) | 235 | (519) |
| Non-operating revenue(expense) | | | | | | | | |
| Property tax revenues ¹ | 99,190 | 2,767,623 | (2,668,433) | | | | | |
| Interest rate swap | - | - | - | | | | | |
| Investment income | 4,579,488 | (173,507) | 4,752,995 | | | | | |
| Revenue bond interest expense | (4,445,867) | (13,300,418) | 8,854,551 | | | | | |
| Other non-operating revenue(expense) | 4,527,531 | 4,864,522 | (336,991) | | | | | |
| Net Income² | (535,355) | (1,739,941) | 1,204,586 | | | | | |
| EBIDA Margin | 22.3% | 33.7% | (11.4%) | | | | | |

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Current Year vs. Prior Year

Excludes PHMG

| | Current Year | | Prior Year | Variance | | Dollars/Adjusted Patient Day | | |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|------------------------------|--------------|--------------|
| | Jun-23 | Jun-22 | Change | Volume | Rate/Eff | Actual | Budget | Variance |
| Adjusted Patient Days | 221,586 | 215,229 | 6,357 | | | | | |
| Adjusted Discharges | 42,057 | 39,596 | 2,461 | | | | | |
| Operating Revenue | | | | | | | | |
| Gross revenue | 4,964,132,348 | 4,555,802,340 | 408,330,008 | 134,560,099 | 273,769,909 | 22,403 | 21,167 | 1,236 |
| Deductions from revenue | (4,129,663,654) | (3,764,923,097) | (364,740,557) | (111,200,703) | (253,539,854) | (18,637) | (17,493) | (1,144) |
| Net patient revenue | 834,468,694 | 790,879,243 | 43,589,451 | 23,359,396 | 20,230,055 | 3,766 | 3,675 | 91 |
| Other operating revenue | 12,229,805 | 9,232,228 | 2,997,577 | 272,683 | 2,724,894 | 55 | 43 | 12 |
| Total net revenue | 846,698,499 | 800,111,471 | 46,587,028 | 23,632,078 | 22,954,949 | 3,821 | 3,717 | 104 |
| Operating Expenses | | | | | | | | |
| Salaries, wages & contract labor | 403,706,616 | 345,319,216 | (58,387,400) | (10,199,342) | (48,188,058) | 1,822 | 1,604 | (217) |
| Benefits | 90,366,928 | 93,848,156 | 3,481,228 | (2,771,898) | 6,253,126 | 408 | 436 | 28 |
| Supplies | 119,389,719 | 110,289,837 | (9,099,882) | (3,257,519) | (5,842,363) | 539 | 512 | (26) |
| Prof fees & purch svcs | 144,709,607 | 130,550,997 | (14,158,610) | (3,855,952) | (10,302,658) | 653 | 607 | (46) |
| Depreciation | 54,028,594 | 50,267,077 | (3,761,517) | (1,484,688) | (2,276,830) | 244 | 234 | (10) |
| Other | 31,416,632 | 27,765,594 | (3,651,038) | (820,084) | (2,830,954) | 142 | 129 | (13) |
| Total expenses | 843,618,096 | 758,040,877 | (85,577,219) | (22,389,482) | (63,187,737) | 3,807 | 3,522 | (285) |
| Income from operations | 3,080,403 | 42,070,594 | (38,990,192) | 1,242,596 | (40,232,788) | 14 | 195 | (182) |
| Non-operating revenue(expense) | | | | | | | | |
| Property tax revenues ¹ | 21,982,534 | 20,184,290 | 1,798,244 | | | | | |
| Interest Rate Swap | 5,324,960 | 13,152,115 | (7,827,155) | | | | | |
| Investment income | 11,576,052 | (5,508,550) | 17,084,602 | | | | | |
| Revenue bond interest expense | (48,374,263) | (38,613,581) | (9,760,682) | | | | | |
| Other non-operating revenue(expense) | 4,028,819 | 11,507,363 | (7,478,544) | | | | | |
| Net Income ² | (2,381,495) | 42,792,231 | (45,173,727) | | | | | |
| EBIDA Margin | 12.0% | 14.8% | (2.8%) | | | | | |

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: Current Fiscal Year Monthly Trend

Excludes PHMG

Fiscal Year

2023

| | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Fiscal Year 2023 |
|--|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| Adjusted Discharges | 3,428 | 3,548 | 3,514 | 3,664 | 3,578 | 3,645 | 3,554 | 3,243 | 3,577 | 3,349 | 3,561 | 3,396 | 42,057 |
| Operating Revenue | | | | | | | | | | | | | |
| Gross revenue | 386,861,833 | 414,593,123 | 400,045,463 | 398,360,268 | 410,607,111 | 431,599,958 | 432,150,986 | 403,081,594 | 443,600,042 | 399,948,109 | 425,241,602 | 418,042,260 | 4,964,132,348 |
| Deductions from revenue | (319,503,944) | (347,149,344) | (333,966,875) | (324,930,831) | (340,408,016) | (361,166,691) | (358,776,424) | (334,505,916) | (370,303,205) | (329,956,915) | (356,617,762) | (352,377,727) | (4,129,663,654) |
| Net patient revenue | 67,357,889 | 67,443,779 | 66,078,588 | 73,429,437 | 70,199,095 | 70,433,267 | 73,374,562 | 68,575,678 | 73,296,837 | 69,991,194 | 68,623,840 | 65,664,533 | 834,468,694 |
| Other operating revenue | 652,405 | 777,663 | 861,211 | 724,955 | 847,263 | 1,093,524 | 1,101,428 | 1,110,469 | 930,396 | 919,288 | 1,504,750 | 1,706,452 | 12,229,805 |
| Total net revenue | 68,010,294 | 68,221,442 | 66,939,799 | 74,154,392 | 71,046,358 | 71,526,791 | 74,475,990 | 69,686,147 | 74,227,233 | 70,910,482 | 70,128,590 | 67,370,985 | 846,698,499 |
| Operating Expenses | | | | | | | | | | | | | |
| Salaries, wages & contract labor | 32,764,595 | 32,513,284 | 32,924,893 | 33,775,849 | 34,989,349 | 33,013,527 | 35,061,254 | 31,394,286 | 36,067,614 | 34,108,438 | 33,443,819 | 33,649,709 | 403,706,616 |
| Benefits | 8,157,659 | 5,548,530 | 7,714,185 | 7,659,670 | 7,740,593 | 9,725,899 | 7,884,855 | 8,438,285 | 6,853,720 | 7,737,750 | 5,557,296 | 7,348,485 | 90,366,928 |
| Supplies | 8,187,227 | 9,771,666 | 9,540,971 | 10,911,278 | 9,664,535 | 10,502,911 | 10,644,566 | 9,956,573 | 11,110,027 | 9,181,613 | 9,659,172 | 10,259,179 | 119,389,719 |
| Prof fees & purch svcs | 10,021,634 | 11,295,327 | 10,136,394 | 12,681,563 | 11,523,340 | 11,459,778 | 13,010,935 | 12,541,818 | 12,017,813 | 12,609,433 | 12,560,771 | 14,850,803 | 144,709,607 |
| Depreciation | 3,466,586 | 4,918,874 | 4,081,665 | 3,872,660 | 3,871,656 | 3,791,637 | 3,823,741 | 3,835,247 | 3,871,878 | 3,841,392 | 4,383,355 | 10,269,902 | 54,028,594 |
| Other | 3,618,338 | 3,442,044 | 1,603,481 | 4,226,752 | 3,156,513 | 2,588,646 | 3,032,621 | 3,400,553 | 3,606,062 | 3,309,404 | 3,143,614 | (3,711,396) | 31,416,632 |
| Total expenses | 66,216,039 | 67,489,725 | 66,001,589 | 73,127,772 | 70,945,985 | 71,082,398 | 73,457,972 | 69,566,762 | 73,527,114 | 70,788,030 | 68,748,027 | 72,666,682 | 843,618,096 |
| Income from operations | 1,794,255 | 731,717 | 938,210 | 1,026,619 | 100,372 | 444,393 | 1,018,018 | 119,385 | 700,119 | 122,452 | 1,380,563 | (5,295,697) | 3,080,403 |
| Non-operating revenue (expense) | | | | | | | | | | | | | |
| Property tax revenues ¹ | 1,583,333 | 1,583,333 | 1,583,333 | 1,583,332 | 2,041,668 | 1,675,000 | 1,675,000 | 1,675,000 | 1,675,000 | 1,675,000 | 5,133,344 | 99,190 | 21,982,534 |
| Investment Income | 1,022,171 | (732,362) | (906,583) | 292,790 | 722,703 | 1,282,479 | 1,152,256 | 645,695 | 1,198,662 | 1,474,276 | 844,477 | 4,579,488 | 11,576,052 |
| Interest Expense | 1,914,301 | 4,562,164 | 3,214,888 | 3,075,712 | 6,786,342 | 4,059,607 | 4,038,845 | 4,033,112 | 4,119,374 | 4,010,334 | 4,113,718 | 4,445,867 | 48,374,263 |
| Interest Rate Swap | - | - | - | - | 5,324,960 | - | - | - | (0) | - | - | - | 5,324,960 |
| Other | 108,213 | 346,688 | 562,613 | 193,452 | 236,239 | 64,895 | 1,524,892 | 9,280 | (224,633) | (823,928) | (2,496,419) | 4,527,531 | 4,028,819 |
| Net income ² | 2,593,671 | (2,632,788) | (1,037,315) | 20,481 | 1,639,601 | (592,840) | 1,331,321 | (1,583,752) | (770,227) | (1,562,534) | 748,247 | (535,355) | (2,381,495) |
| EBIDA Margin | 11.7% | 11.7% | 10.2% | 10.2% | 10.6% | 11.0% | 13.1% | 9.9% | 10.5% | 9.7% | 14.0% | 22.3% | 12.0% |

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Income Statement: 13-Month Trend

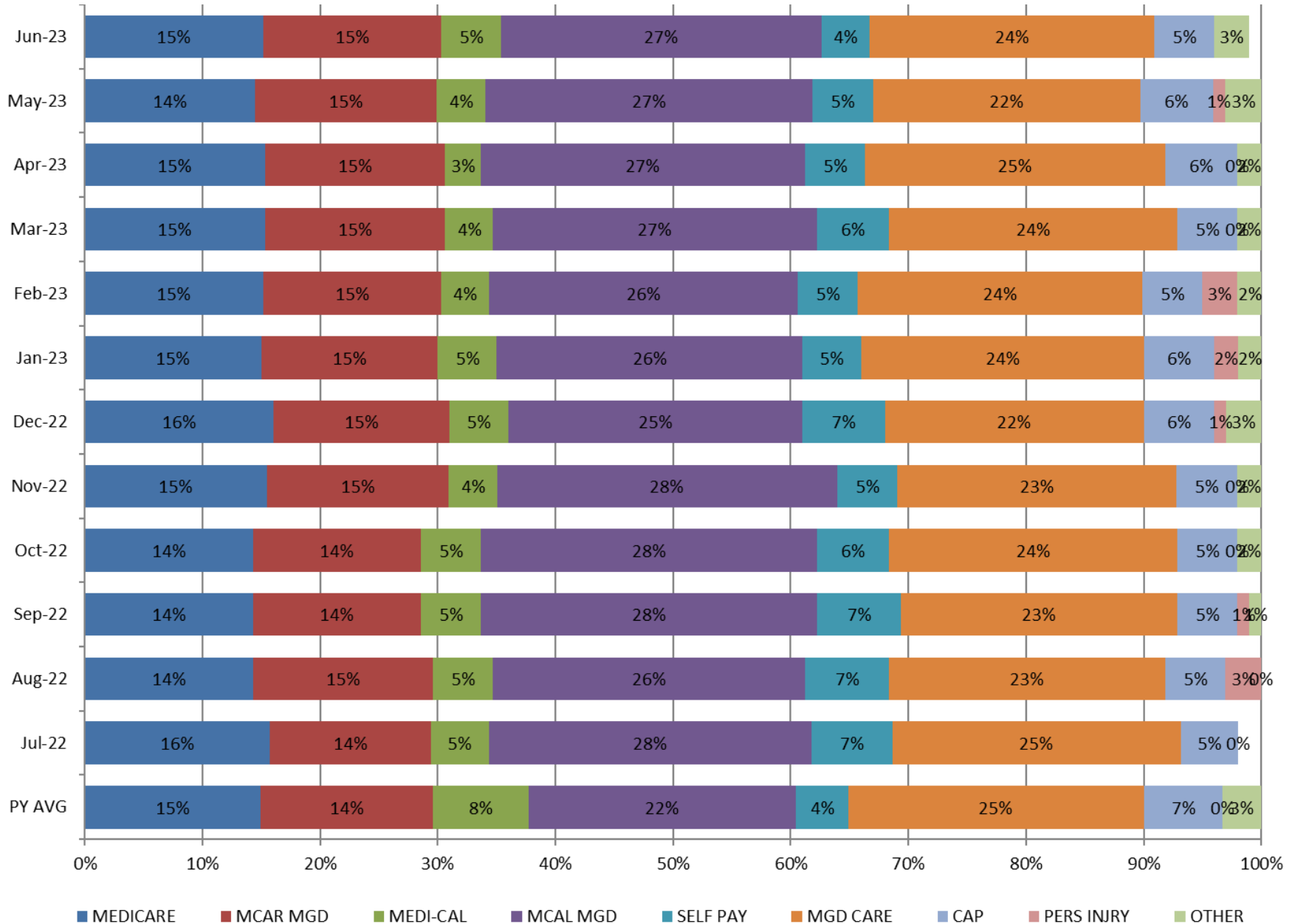
Excludes PHMG

| | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 |
|--|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|
| Adjusted Discharges | 3,900 | 3,428 | 3,548 | 3,514 | 3,664 | 3,578 | 3,645 | 3,554 | 3,243 | 3,577 | 3,349 | 3,561 | 3,396 |
| Operating Revenue | | | | | | | | | | | | | |
| Gross revenue | 375,821,247 | 386,861,833 | 414,593,123 | 400,045,463 | 398,360,268 | 410,607,111 | 431,599,958 | 432,150,986 | 403,081,594 | 443,600,042 | 399,948,109 | 425,241,602 | 418,042,260 |
| Deductions from revenue | (314,241,456) | (319,503,944) | (347,149,344) | (333,966,875) | (324,930,831) | (340,408,016) | (361,166,691) | (358,776,424) | (334,505,916) | (370,303,205) | (329,956,915) | (356,617,762) | (352,377,727) |
| Net patient revenue | 61,579,791 | 67,357,889 | 67,443,779 | 66,078,588 | 73,429,437 | 70,199,095 | 70,433,267 | 73,374,562 | 68,575,678 | 73,296,837 | 69,991,194 | 68,623,840 | 65,664,533 |
| Other operating revenue | 1,310,521 | 652,405 | 777,663 | 861,211 | 724,955 | 847,263 | 1,093,524 | 1,101,428 | 1,110,469 | 930,396 | 919,288 | 1,504,750 | 1,706,452 |
| Total net revenue | 62,890,312 | 68,010,294 | 68,221,442 | 66,939,799 | 74,154,392 | 71,046,358 | 71,526,791 | 74,475,990 | 69,686,147 | 74,227,233 | 70,910,482 | 70,128,590 | 67,370,985 |
| Operating Expenses | | | | | | | | | | | | | |
| Salaries, wages & contract labor | 24,928,515 | 32,764,595 | 32,513,284 | 32,924,892 | 33,775,849 | 34,989,349 | 33,013,527 | 35,061,254 | 31,394,286 | 36,067,614 | 34,108,438 | 33,443,819 | 33,649,709 |
| Benefits | 8,232,869 | 8,157,659 | 5,548,530 | 7,714,185 | 7,659,670 | 7,740,593 | 9,725,899 | 7,884,855 | 8,438,285 | 6,853,720 | 7,737,750 | 5,557,296 | 7,348,485 |
| Supplies | 9,987,179 | 8,187,227 | 9,771,666 | 9,540,971 | 10,911,278 | 9,664,535 | 10,502,911 | 10,644,566 | 9,956,573 | 11,110,027 | 9,181,613 | 9,659,172 | 10,259,179 |
| Prof fees & purch svcs | 12,623,669 | 10,021,634 | 11,295,327 | 10,136,393 | 12,681,563 | 11,523,340 | 11,459,778 | 13,010,935 | 12,541,818 | 12,017,813 | 12,609,433 | 12,560,771 | 14,850,803 |
| Depreciation | 9,639,591 | 3,466,586 | 4,918,874 | 4,081,665 | 3,872,660 | 3,871,656 | 3,791,637 | 3,823,741 | 3,835,247 | 3,871,878 | 3,841,392 | 4,383,355 | 10,269,902 |
| Other | (6,623,350) | 3,618,338 | 3,442,044 | 1,603,481 | 4,226,752 | 3,156,513 | 2,588,646 | 3,032,621 | 3,400,553 | 3,606,062 | 3,309,404 | 3,143,614 | (3,711,396) |
| Total expenses | 58,788,473 | 66,216,039 | 67,489,725 | 66,001,587 | 73,127,772 | 70,945,986 | 71,082,398 | 73,457,972 | 69,566,762 | 73,527,114 | 70,788,030 | 68,748,027 | 72,666,682 |
| Income from operations | 4,101,839 | 1,794,255 | 731,717 | 938,212 | 1,026,620 | 100,372 | 444,393 | 1,018,018 | 119,385 | 700,119 | 122,452 | 1,380,563 | (5,295,697) |
| Non-operating revenue (expense) | | | | | | | | | | | | | |
| Property tax revenues ¹ | 2,767,623 | 1,583,333 | 1,583,333 | 1,583,333 | 1,583,333 | 2,041,667 | 1,675,000 | 1,675,000 | 1,675,000 | 1,675,000 | 1,675,000 | 5,133,344 | 99,190 |
| Investment income | (173,507) | 1,022,171 | (732,362) | (906,583) | 292,790 | 722,703 | 1,282,479 | 1,152,256 | 645,695 | 1,198,662 | 1,474,276 | 844,477 | 4,579,488 |
| Interest Expense | (13,300,418) | (1,914,301) | (4,562,164) | (3,214,888) | (3,075,712) | (6,786,342) | (4,059,607) | (4,038,845) | (4,033,112) | (4,119,374) | (4,010,334) | (4,113,718) | (4,445,867) |
| Interest Rate Swap | 13,152,115 | - | - | - | - | 5,324,960 | - | - | - | - | - | - | - |
| Other | 4,864,522 | 108,213 | 346,688 | 562,609 | 193,452 | 236,239 | 64,895 | 1,524,892 | 9,280 | (224,633) | (823,928) | (2,496,419) | 4,527,531 |
| Net income ² | 11,412,174 | 2,593,671 | (2,632,788) | (1,037,317) | 20,483 | 1,639,599 | (592,840) | 1,331,321 | (1,583,752) | (770,226) | (1,562,534) | 748,247 | (535,355) |
| EBIDA Margin | 33.7% | 11.7% | 10.0% | 11.1% | 10.2% | 10.6% | 11.0% | 13.1% | 9.9% | 10.5% | 9.7% | 14.0% | 22.3% |

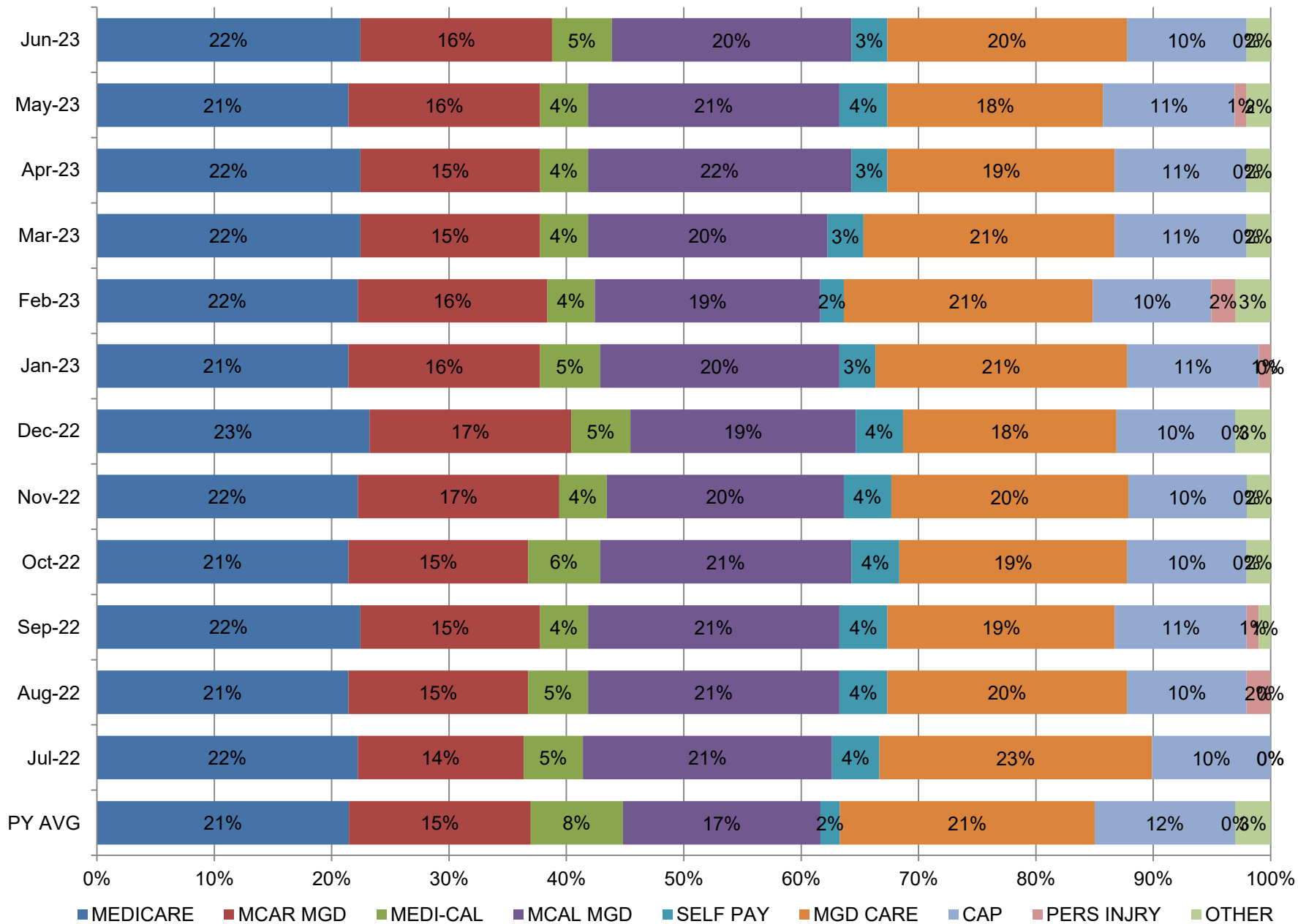
1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

Payor Mix: Emergency Department



Payor Mix: Gross Revenue



Statement of Net Position: Excludes G.O. Bonds

Excludes PHMG

| Assets | Jun-23 | May-23 | Jun-22 |
|---|----------------------|----------------------|----------------------|
| Current Assets | | | |
| Cash and cash equivalents | 64,696,934 | 17,232,660 | 30,997,521 |
| Investments | 119,515,170 | 103,447,776 | 186,291,158 |
| Board Designated | 13,678,054 | 13,678,054 | 34,785,660 |
| Total cash,cash equivalents & investments | 197,890,158 | 134,358,489 | 252,074,340 |
| Patient Accounts Receivable | 489,931,574 | 499,936,198 | 400,381,312 |
| Allowance on accounts | (304,856,426) | (309,815,746) | (251,383,493) |
| Net accounts receivable | 185,075,148 | 190,120,452 | 148,997,820 |
| Inventories | 12,821,349 | 12,851,817 | 12,480,465 |
| Prepaid expenses | 12,445,827 | 11,889,337 | 8,682,562 |
| Est. third party settlements | 71,203,136 | 73,779,202 | 58,713,877 |
| Other | 58,923,618 | 49,367,778 | 37,918,474 |
| Total current assets | 538,359,237 | 472,367,074 | 518,867,537 |
| Non-Current Assets | | | |
| Restricted assets | 141,325,098 | 141,807,086 | 58,256,063 |
| Restricted other | 356,226 | 356,226 | 353,100 |
| Total restricted assets | 141,681,325 | 142,163,312 | 58,609,163 |
| Property, plant & equipment | 1,502,491,970 | 1,516,279,139 | 1,511,183,821 |
| Accumulated depreciation | (624,985,735) | (637,901,454) | (601,520,327) |
| Construction in process | 94,719,898 | 106,280,835 | 64,486,109 |
| Net property, plant & equipment | 972,226,133 | 984,658,520 | 974,149,602 |
| Right of Use Assets | 275,542,766 | 230,377,721 | 238,533,505 |
| Investment related companies | 5,427,952 | 3,702,442 | 6,903,551 |
| Prepaid debt insurance costs | 7,610,393 | 7,636,432 | 5,868,703 |
| Other non-current assets | 47,276,631 | 38,071,812 | 39,561,628 |
| Total non-current assets | 1,449,765,201 | 1,406,610,240 | 1,323,626,151 |
| Total assets | 1,988,124,438 | 1,878,977,314 | 1,842,493,688 |
| Deferred outflow of resources-loss on refunding of debt | 52,390,338 | 52,623,147 | 47,781,137 |
| Total assets and deferred outflow of resources | 2,040,514,775 | 1,931,600,461 | 1,890,274,825 |

| Liabilities | Jun-23 | May-23 | Jun-22 |
|---|----------------------|----------------------|----------------------|
| Current Liabilities | | | |
| Accounts payable | 71,057,718 | 54,524,224 | 67,371,368 |
| Accrued payroll | 28,007,606 | 26,008,182 | 30,182,511 |
| Accrued PTO | 25,380,895 | 25,691,568 | 24,932,792 |
| Accrued interest payable | 9,200,926 | 9,210,317 | 5,057,411 |
| Current portion of bonds | 8,110,000 | 8,110,000 | 14,425,000 |
| Current portion of lease liab | 10,965,390 | 6,786,807 | 5,744,577 |
| Est. third party settlements | 15,470,193 | 15,455,895 | 27,984,699 |
| Other current liabilities | 108,925,212 | 64,585,871 | 61,780,722 |
| Total current liabilities | 277,117,940 | 210,372,864 | 237,479,080 |
| Long Term Liabilities | | | |
| Other LT liabilities | 2,971,429 | 364,949 | 1,302,956 |
| Bonds & contracts payable | 741,260,101 | 736,313,068 | 626,046,242 |
| Lease liabilities | 282,271,128 | 244,848,717 | 247,242,225 |
| Total long term liabilities | 1,026,502,658 | 981,526,735 | 874,591,423 |
| Total liabilities | 1,303,620,597 | 1,191,899,599 | 1,112,070,502 |
| Deferred inflow of resources- unearned revenue | 6,763,557 | 6,780,323 | 6,877,684 |
| Total liabilities and deferred inflow of resources | 1,310,384,155 | 1,198,679,922 | 1,118,948,186 |
| Net Position | | | |
| Unrestricted | 729,774,395 | 732,564,313 | 757,295,485 |
| Restricted for other purpose | 356,226 | 356,226 | 14,031,154 |
| Total net position | 730,130,621 | 732,920,539 | 771,326,639 |
| Total liabilities, deferred inflow of resources and net position | 2,040,514,775 | 1,931,600,461 | 1,890,274,825 |

Statement of Net Position: Includes G.O. Bonds

Excludes PHMG

| Assets | Jun-23 | May-23 | Jun-22 | Liabilities | Jun-23 | May-23 | Jun-22 |
|---|----------------------|----------------------|----------------------|--|----------------------|----------------------|----------------------|
| Current Assets | | | | Current Liabilities | | | |
| Cash and cash equivalents | 64,696,934 | 17,232,660 | 30,997,521 | Accounts payable | 71,060,218 | 54,524,224 | 67,374,118 |
| Investments | 119,515,170 | 103,447,776 | 186,291,158 | Accrued payroll | 28,007,605 | 26,008,182 | 30,182,511 |
| Board Designated | 13,678,054 | 13,678,054 | 21,107,606 | Accrued PTO | 25,380,895 | 25,691,568 | 24,932,792 |
| Total cash,cash equivalents & investments | 197,890,158 | 134,358,489 | 238,396,286 | Accrued interest payable | 27,289,237 | 24,582,575 | 21,425,246 |
| Patient Accounts Receivable | 489,931,574 | 499,936,198 | 400,381,312 | Current portion of bonds | 16,903,916 | 16,903,916 | 22,485,800 |
| Allowance on accounts | (304,856,426) | (309,815,746) | (251,383,493) | Current portion of lease liab | 10,965,390 | 6,786,807 | 5,744,577 |
| Net accounts receivable | 185,075,148 | 190,120,452 | 148,997,820 | Est. third party settlements | 15,470,193 | 15,455,895 | 27,984,699 |
| Inventories | 12,821,349 | 12,851,817 | 12,480,465 | Other current liabilities | 41,009,465 | 30,747,384 | 24,680,710 |
| Prepaid expenses | 12,445,827 | 11,889,338 | 8,682,562 | Total current liabilities | 236,086,920 | 200,700,551 | 224,810,452 |
| Est. third party settlements | 71,203,136 | 73,779,202 | 58,713,877 | Long Term Liabilities | | | |
| Other | 59,335,542 | 49,867,778 | 38,118,475 | Other LT liabilities | 2,971,429 | 364,950 | 1,302,956 |
| Total current assets | 538,771,160 | 472,867,075 | 505,389,483 | Bonds & contracts payable | 1,387,561,498 | 1,382,331,719 | 1,277,787,416 |
| Non-Current Assets | | | | Lease liabilities | 282,271,128 | 244,848,717 | 247,242,225 |
| Restricted assets | 203,456,651 | 203,311,459 | 110,141,999 | Total long term liabilities | 1,672,804,055 | 1,627,545,386 | 1,526,332,597 |
| Restricted other | 356,226 | 356,226 | 14,031,154 | Total liabilities | 1,908,890,975 | 1,828,245,936 | 1,751,143,049 |
| Total restricted assets | 203,812,877 | 203,667,685 | 124,173,153 | Deferred inflow of resources- | | | |
| Property, plant & equipment | 1,502,491,970 | 1,516,279,139 | 1,511,183,821 | unearned revenue | 74,679,304 | 40,618,810 | 43,977,697 |
| Accumulated depreciation | (624,985,735) | (637,901,454) | (601,520,327) | Total liabilities and deferred inflow | | | |
| Construction in process | 94,719,898 | 106,280,835 | 64,486,109 | of resources | 1,983,570,279 | 1,868,864,747 | 1,795,120,746 |
| Net property, plant & equipment | 972,226,134 | 984,658,520 | 974,149,602 | Net Position | | | |
| Right of Use Assets | 275,542,767 | 230,377,721 | 238,533,505 | Unrestricted | 123,396,362 | 128,679,809 | 137,849,948 |
| Investment related companies | 5,427,952 | 3,702,442 | 6,903,551 | Restricted for other purpose | 356,226 | 356,226 | 14,031,154 |
| Prepaid debt insurance and other costs | 9,070,918 | 9,110,427 | 7,491,373 | Total net position | 123,752,588 | 129,036,035 | 151,881,102 |
| Other non-current assets | 47,276,630 | 38,071,812 | 39,561,628 | Total liabilities, deferred inflow of | | | |
| Total non-current assets | 1,513,357,278 | 1,469,588,608 | 1,390,812,812 | resources and net position | 2,107,322,867 | 1,997,900,782 | 1,947,001,848 |
| Total assets | 2,052,128,439 | 1,942,455,683 | 1,896,202,295 | | | | |
| Deferred outflow of resources-loss on | | | | | | | |
| refunding of debt | 55,194,429 | 55,445,098 | 50,799,553 | | | | |
| Total assets and deferred outflow of | | | | | | | |
| resources | 2,107,322,867 | 1,997,900,782 | 1,947,001,848 | | | | |

Palomar Health
STATEMENT OF CASH FLOWS
Fiscal Year 2023

| | <u>Jun-23</u> | <u>YTD</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Income (Loss) from operations | (5,295,697) | 3,080,403 |
| Adjustments to reconcile change in net assets to net cash provided from operating activities: | | |
| Depreciation Expense | 10,269,902 | 55,192,803 |
| Provision for bad debts | 5,109,082 | 79,337,034 |
| Changes in operating assets and liabilities: | | |
| Patient accounts receivable | (63,778) | (115,414,357) |
| Property Tax and other receivables | (9,606,756) | (20,812,159) |
| Inventories | 30,468 | (340,884) |
| Prepaid expenses and other current assets | 10,433,783 | 11,114,604 |
| Accounts payable | 16,535,994 | 3,686,100 |
| Accrued compensation | 1,688,750 | (1,726,804) |
| Estimated settlement amounts due third-party payors | 2,590,364 | (25,003,765) |
| Other liabilities | 10,238,712 | 16,315,718 |
| Net cash provided from (used by) operating activities | <u>41,930,824</u> | <u>5,428,693</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Net (purchases) sales of investments | (16,212,586) | (5,434,184) |
| Income (Loss) on investments | 4,808,752 | 12,803,242 |
| Investment in affiliates | (11,455,546) | (46,518,501) |
| Net cash provided from (used by) investing activities | <u>(22,859,380)</u> | <u>(39,149,443)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Receipt of G.O. Bond Taxes | 397,915 | 47,799,487 |
| Receipt of District Taxes | 150,105 | 21,789,550 |
| Net cash provided from non-capital financing activities | <u>548,020</u> | <u>69,589,037</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Proceeds on asset sale | 34,099,484 | 35,026,036 |
| Proceeds from the issuance of long-term debt | 0 | 258,696,778 |
| Cost of Issuance payments | 0 | (18,211,396) |
| Acquisition of property plant and equipment | (554,624) | (51,079,061) |
| Redevelopment Trust Fund Distributions | 1,730,315 | 3,178,612 |
| G.O. Bond Interest paid | 0 | (27,373,589) |
| Revenue Bond Interest paid | 14,086 | (26,321,298) |
| ROU Interest paid | (1,566,178) | (9,999,331) |
| Payments of Long Term Debt | (5,878,273) | (166,085,626) |
| Net cash provided from (used by) capital and related financing activities | <u>27,844,810</u> | <u>(2,168,875)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 47,464,274 | 33,699,413 |
| CASH AND CASH EQUIVALENTS - Beginning of period | <u>17,232,660</u> | <u>30,997,521</u> |
| CASH AND CASH EQUIVALENTS - End of period | <u>64,696,934</u> | <u>64,696,934</u> |

CONDENSED COMBINING STATEMENT OF NET POSITION

JUNE 30, 2023

| | PH | PHMG | PAM | PAM-SD | PAC | Eliminations | Total |
|--|----------------------|--------------------|----------|----------|------------------|---------------------|----------------------|
| ASSETS | | | | | | | |
| Current assets | 538,771,161 | 50,101,692 | - | - | 4,050,801 | (38,169,975) | 554,753,678 |
| Capital assets - net | 972,226,134 | 6,099,285 | - | - | - | - | 978,325,419 |
| Right of use assets - net | 275,542,766 | 34,422,489 | - | - | - | (14,477,717) | 295,487,538 |
| Non-current assets | 265,588,377 | 4,986,891 | - | - | - | (5,485,921) | 265,089,347 |
| Total assets | 2,052,128,438 | 95,610,357 | - | - | 4,050,801 | (58,133,613) | 2,093,655,982 |
| Deferred outflow of resources | 55,194,429 | - | - | - | - | - | 55,194,429 |
| TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES | 2,107,322,867 | 95,610,357 | - | - | 4,050,801 | (58,133,613) | 2,148,850,411 |
| LIABILITIES AND NET POSITION | | | | | | | |
| Current liabilities | 236,086,921 | 64,959,244 | - | - | 1,155,068 | (40,811,721) | 261,389,512 |
| Long-term liabilities | 1,390,532,926 | 4,285,921 | - | - | - | (4,285,921) | 1,390,532,926 |
| Right of use lease liabilities | 282,271,128 | 29,504,842 | - | - | - | (12,254,287) | 299,521,683 |
| Total liabilities | 1,908,890,975 | 98,750,007 | - | - | 1,155,068 | (57,351,929) | 1,951,444,121 |
| Deferred inflow of resources - deferred revenue | 74,679,304 | - | - | - | - | - | 74,679,304 |
| Total liabilities and deferred inflow of resources | 1,983,570,279 | 98,750,007 | - | - | 1,155,068 | (57,351,929) | 2,026,123,425 |
| Invested in capital assets - net of related debt | (265,797,336) | 4,837,749 | - | - | - | - | (260,959,587) |
| Restricted | 53,958,555 | - | - | - | - | - | 53,958,555 |
| Unrestricted | 335,591,369 | (7,977,399) | - | - | 2,895,733 | (781,684) | 329,728,019 |
| Total net position | 123,752,588 | (3,139,650) | - | - | 2,895,733 | (781,684) | 122,726,987 |
| TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION | 2,107,322,867 | 95,610,357 | - | - | 4,050,801 | (58,133,613) | 2,148,850,411 |

Note: Financial Performance includes GO Bonds

Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position

CONDENSED COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

| | PH | PHMG | PAM | PAM-SD | PAC | Elimination | YTD Consolidated |
|--|--------------------|---------------------|------------------|--------------------|------------------|------------------|---------------------|
| OPERATING REVENUE: | | | | | | | |
| Net patient service revenue | 768,374,197 | 82,840,133 | - | - | - | - | 851,214,330 |
| Shared risk revenue | 66,094,497 | 48,679,939 | - | - | - | (6,072,230) | 108,702,206 |
| Other revenue | 12,229,805 | 11,046,569 | - | - | 3,937,640 | (442,443) | 26,771,570 |
| PH Program revenue | - | 12,229,804 | - | - | - | (12,229,804) | - |
| Total operating revenue | 846,698,499 | 154,796,445 | - | - | 3,937,640 | (18,744,477) | 986,688,106 |
| OPERATING EXPENSES | | | | | | | |
| DEPRECIATION AND AMORTIZATION | 54,028,594 | 3,385,287 | - | - | - | - | 57,413,881 |
| Total operating expenses | 843,618,096 | 194,716,654 | (228,341) | 3,064 | 1,741,678 | (23,421,787) | 1,016,429,364 |
| INCOME (LOSS) FROM OPERATIONS | 3,080,403 | (39,920,209) | 228,341 | (3,064) | 2,195,962 | 4,677,310 | (29,741,257) |
| NON-OPERATING INCOME (EXPENSE): | | | | | | | |
| Investment income | 12,803,242 | (554,663) | 49 | 105 | - | 554,901 | 12,803,634 |
| Unrealized loss on interest rate swap | 5,324,960 | - | - | - | - | - | 5,324,960 |
| Interest expense | (84,545,611) | (172,903) | - | - | - | 169,036 | (84,549,478) |
| Property tax revenue | 118,005,358 | - | - | - | - | - | 118,005,358 |
| Other - net | 4,018,048 | 1,685,290 | 1,918,786 | (1,891,890) | - | (2,346,346) | 3,383,887 |
| Total non-operating expense - net | 55,605,997 | 957,724 | 1,918,835 | (1,891,785) | - | (1,622,409) | 54,968,361 |
| CHANGE IN NET POSITION | 58,686,400 | (38,962,485) | 2,147,176 | (1,894,849) | 2,195,962 | 3,054,901 | 25,227,104 |
| Interfund - PHMG | (38,803,500) | 35,252,631 | - | - | - | - | (3,550,869) |
| NET POSITION - Beginning of year | 151,881,100 | 570,204 | (2,147,176) | 1,894,849 | 699,771 | (3,836,585) | 149,062,164 |
| NET POSITION - Year to date | 171,764,000 | (3,139,650) | - | - | 2,895,733 | (781,684) | 170,738,399 |

EBIDA 341,639,955
EBIDA Margin 34.6%

Note: Financial Performance includes GO Bonds

Investment Fund - Quarter Ended June 30, 2023 Yield Analysis

| Investment Account: | % of Portfolio at 6/30/2023 | Maturity Date | Yield | Benchmark | | Actual to Benchmark Variance | Total Yield |
|--|-----------------------------|---------------|---------|------------------|------------|------------------------------|-------------|
| Fidelity-Institutional Portfolio Treasury Fund | 31.06% | Demand | 5.21% | 5.32% | (1) | (0.11%) | 1.62% |
| State Treasurer Local Agency Investment Fund | 53.63% | Demand | 3.15% | 3.01% | (2) | 0.14% | 1.69% |
| Morgan Stanley | 12.83% | Various | (0.31%) | (0.62%) 8.74% | (3) (4) | 0.31% (9.05%) | (0.04%) |
| Chandler Asset Management | 1.72% | Various | (0.62%) | (0.62%) 8.74% | (3) (4) | 0.00% (9.36%) | (0.01%) |
| Goldman Sachs Asset Management | 0.76% | Various | 4.76% | 5.32% | (1) | (0.56%) | 0.04% |
| Total: | 100.00% | | | | | | |

TOTAL YIELD: 3.29%

PRIOR QUARTER: 2.73%

PRIOR YEAR: (0.17%)

- (1) Approximate average of 90 day T-Bills
- (2) LAIF annual average return based upon monthly yields
- (3) BC Intermediate Government Credits
- (4) S&P 500