

Posted
 Tuesday
 January 23, 2024

FINANCE COMMITTEE MEETING

Agenda



WEDNESDAY, JANUARY 24, 2024
 1:30 P.M.

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
❖ Information Item(s) – NONE			2:00
1. Board Finance Committee Follow-ups.....	3	4	2:03
2. Approval: Minutes – Finance Committee – Wednesday, October 25, 2023 (ADD A – Pp10-16).....	2	5	2:05
3. Approval: Executed Budgeted Routine Physician Agreements (ADD B – Pp17-31).....	5	6	2:10
4. Approval: Establishment of the Date, Time and Location for the Regular Meetings of the Board Finance Committee for Calendar Year 2024 and January 2025	10	7	2:20
5. Approval: Charter of the Finance Committee of the Palomar Health Board of Directors (ADD C – Pp32-35).....	10	8	2:30
6. Approval: December 2023 & YTD FY2024 Financial Report (<i>To be distributed under separate cover</i>).....	15	9	2:45
ADJOURNMENT			2:45

NOTE: The meeting—without public comments—is scheduled to last 45 minutes, starting at 1:30 PM, with adjournment at 2:15 PM

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		
Melissa Wallace, Interim CFO	Ryan Olsen, COO	Omar Khawaja, MD, CMO
Mel Russell, RN, CNE		Vacant – 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



Fiscal Year 2024 Financial Performance

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

December 2023

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	Quarter to Date				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Dec-23	Dec-23		Dec-22	Dec-23	Dec-23		Dec-22
Key Volumes								
Discharges - Total	6,186	6,351	(2.6%)	6,534	12,086	12,666	(4.6%)	12,715
Acute - General	5,875	5,989	(1.9%)	6,226	11,499	11,942	(3.7%)	12,094
Acute Behavioral Health	172	154	11.7%	142	285	308	(7.5%)	308
Total Acute Discharges	6,047	6,143	(1.6%)	6,368	11,784	12,250	(3.8%)	12,402
The Villas at Poway	139	208	(33.2%)	166	302	416	(27.4%)	313
Patient Days - Total	35,986	38,302	(6.1%)	36,495	71,367	76,083	(6.2%)	71,898
Acute - General	26,109	25,813	1.2%	26,084	50,656	51,018	(0.7%)	50,891
Acute Behavioral Health	954	988	(3.5%)	966	1,978	2,065	(4.2%)	2,516
Total Acute Patient Days	27,063	26,802	1.0%	27,050	52,634	53,083	(0.9%)	53,407
The Villas at Poway	8,923	11,500	(22.4%)	9,445	18,733	23,000	(18.6%)	18,491
Acute Adjusted Discharges	10,030	10,395	(3.5%)	10,679	19,857	20,728	(4.2%)	20,985
Total Adjusted Discharges*	10,174	10,603	(4.1%)	10,887	20,179	21,144	(4.6%)	21,377
Acute Adjusted Patient Days	44,879	45,319	(1.0%)	45,296	88,685	89,759	(1.2%)	90,305
Total Adjusted Patient Days*	53,802	56,819	(5.3%)	54,741	107,418	112,759	(4.7%)	108,797
Acute Average Daily Census	294	493	(40.3%)	294	286	288	(0.9%)	290
Total Average Daily Census*	391	416	(6.1%)	397	388	413	(6.2%)	391
Surgeries - Total	2,901	2,948	(1.6%)	2,993	5,842	5,900	(1.0%)	5,963
Inpatient	1,507	1,502	0.3%	1,497	2,976	2,975	0.0%	2,937
Outpatient	1,394	1,445	(3.6%)	1,496	2,866	2,925	(2.0%)	3,026
Deliveries	921	999	(7.8%)	1,039	1,908	2,126	(10.2%)	2,387
ER Visits (Includes Trauma) - Total	32,714	36,469	(10.3%)	27,293	61,505	72,250	(14.9%)	77,448
Inpatient	4,266	4,602	(7.3%)	4,145	8,480	8,811	(3.8%)	8,786
Outpatient	25,700	31,867	(19.4%)	23,148	53,025	63,438	(16.4%)	59,846

* Includes The Villas at Poway

	Quarter to Date				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Dec-23	Dec-23		Dec-22	Dec-23	Dec-23		Dec-22
Key Statistics								
Acute Average LOS - Days	4.48	4.36	(2.6%)	4.25	4.47	4.33	(3.2%)	4.31
Acute - General	4.44	4.31	(3.1%)	4.19	4.41	4.27	(3.1%)	4.21
Acute Behavioral Health	5.55	6.42	13.6%	6.80	6.94	6.70	(3.5%)	8.17
Average Observation Hours	40	35	(14.4%)	35	37	32	(15.5%)	32
Acute Case Mix-Excludes Deliveries	1.75	1.63	7.8%	1.63	1.75	1.79	(1.8%)	1.62
Acute Case Mix-Medicare Only	1.74	1.80	(3.4%)	1.80	1.74	1.84	(5.5%)	1.85
Labor Productivity by Hrs					Not Avail.	100.0%	-	102.6%
Days Cash on Hand					44.4			63.2
Financial Performance								
Operating Income	(7,006,893)	13,123,256	(20,130,149)	5,872,763	(18,886,226)	27,307,758	(46,193,984)	5,035,572
Net Income	(10,686,901)	10,896,072	(21,582,973)	2,704,781	(27,893,107)	16,600,353	(44,493,460)	(9,187)
Oper. Expenses/Adj. Patient Days	3,588	3,539	(1.4%)	3,335	3,628	3,498	(3.7%)	3,593
EBIDA Margin-Excludes PHMG	9.7%	16.2%	(6.5%)	10.4%	7.8%	15.2%	(7.4%)	10.1%
EBIDA-Excludes PHMG	19,457,484	32,573,289	(13,115,805)	26,524,856	30,944,132	67,921,916	(36,977,784)	42,281,945

Note: Financial Performance excludes GO Bonds

Income Statement for the Fiscal Quarter Ended December 31, 2023

Excludes PHMG

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Dec-23	Dec-23	Dec-23	Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	53,802	60,841	(7,039)					
Adjusted Discharges	10,174	11,705	(1,531)					
Operating Revenue								
Gross revenue	1,339,110,823	1,388,246,319	(49,135,496)	(160,613,169)	111,477,673	24,890	22,818	2,072
Deductions from revenue	(1,142,506,107)	(1,167,259,787)	24,753,680	135,046,131	(110,292,451)	(21,235)	(19,185)	(2,050)
Net patient revenue	196,604,716	220,986,532	(24,381,816)	(25,567,039)	1,185,223	3,654	3,632	22
Other operating revenue	3,759,336	3,757,742	1,594	(434,752)	436,346	70	62	8
Total net revenue	200,364,052	224,744,274	(24,380,222)	(26,001,791)	1,621,569	3,724	3,694	30
Operating Expenses								
Salaries, wages & contract labor	97,463,171	97,162,669	(300,502)	11,241,236	(11,541,738)	1,812	1,597	(215)
Benefits	23,323,767	24,539,869	1,216,102	2,839,140	(1,623,038)	434	403	(30)
Supplies	28,416,659	30,694,610	2,277,951	3,551,213	(1,273,262)	528	505	(24)
Prof fees & purch svcs	34,525,056	35,915,190	1,390,134	4,155,208	(2,765,074)	642	590	(51)
Depreciation	14,337,518	10,685,841	(3,651,677)	1,236,298	(4,887,975)	266	176	(91)
Other	9,304,774	9,948,849	644,075	1,151,032	(506,957)	173	164	(9)
Total expenses	207,370,945	208,947,028	1,576,083	24,174,128	(22,598,045)	3,854	3,434	(420)
Income from operations	(7,006,893)	15,797,246	(22,804,139)	(1,827,663)	(20,976,476)	(130)	260	(390)
Non-operating revenue(expense)								
Property tax revenues ¹	5,875,000	5,875,000	-					
Interest Rate Swap	-	-	-					
Investment income	7,818,933	2,204,190	5,614,743					
Revenue bond interest expense	(12,550,148)	(8,981,599)	(3,568,549)					
Non-operating depreciation	(3,234,742)	(3,448,476)	213,734					
Other non-operating revenue(expense)	(1,589,051)	1,787,749	(3,376,800)					
Net Income ²	(10,686,901)	13,234,110	(23,921,011)					
EBIDA Margin	9.7%	16.2%	(6.5%)					

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

2= Excludes G.O. Bonds income / expense

Income Statement for the Current Year versus Prior Year
Excludes PHMG

	Current Year	Prior Year	Change	Variance		Dollars/Adjusted Patient Day		
	Dec-23	Dec-22		Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	107,418	108,797	(1,379)					
Adjusted Discharges	20,179	21,377	(1,198)					
Operating Revenue								
Gross revenue	2,657,841,330	2,442,067,755	215,773,575	(30,953,164)	246,726,739	24,743	22,446	2,297
Deductions from revenue	(2,266,897,299)	(2,027,125,700)	(239,771,599)	25,693,781	(265,465,381)	(21,104)	(18,632)	(2,471)
Net patient revenue	390,944,031	414,942,055	(23,998,024)	(5,259,383)	(18,738,641)	3,639	3,814	(174)
Other operating revenue	7,263,227	4,957,021	2,306,206	(62,830)	2,369,036	68	46	22
Total net revenue	398,207,255	419,899,076	(21,691,819)	(5,322,213)	(16,369,606)	3,707	3,859	(152)
Operating Expenses								
Salaries, wages & contract labor	195,736,380	199,981,495	4,245,115	2,534,762	1,710,353	1,822	1,838	16
Benefits	46,604,702	46,546,536	(58,166)	589,976	(648,143)	434	428	(6)
Supplies	57,952,495	58,578,588	626,093	742,483	(116,390)	540	538	(1)
Prof fees & purch svcs	71,479,273	67,118,033	(4,361,240)	850,720	(5,211,960)	665	617	(49)
Depreciation	27,340,653	24,003,078	(3,337,575)	304,239	(3,641,814)	255	221	(34)
Other	17,979,977	18,635,774	655,797	236,208	419,589	167	171	4
Total expenses	417,093,481	414,863,504	(2,229,977)	5,258,387	(7,488,365)	3,883	3,813	(70)
Income from operations	(18,886,226)	5,035,572	(23,921,796)	(63,826)	(23,857,970)	(176)	46	(222)
Non-operating revenue(expense)								
Property tax revenues ¹	11,750,000	10,050,000	1,700,000					
Interest Rate Swap	-	5,324,960	(5,324,960)					
Investment income	12,375,658	1,681,199	10,694,459					
Revenue bond interest expense	(24,952,278)	(23,613,014)	(1,339,264)					
Non-operating depreciation	(6,544,309)	(1,746,315)	(4,797,994)					
Other non-operating revenue(expense)	(1,635,953)	3,258,411	(4,894,364)					
Net Income ²	(27,893,107)	(9,187)	(27,883,919)					
EBIDA Margin	7.8%	10.5%	(2.7%)					

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

2= Excludes G.O. Bonds income / expense

	Quarter Ended		Fiscal Year
	Sep-23	Dec-23	2024
Adjusted Discharges	10,005	10,174	20,179
Operating Revenue			
Gross revenue	1,318,730,507	1,339,110,823	2,657,841,330
Deductions from revenue	(1,124,391,192)	(1,142,506,107)	(2,266,897,299)
Net patient revenue	194,339,315	196,604,716	390,944,031
Other operating revenue	3,503,890	3,759,337	7,263,227
Total net revenue	197,843,205	200,364,052	398,207,255
Operating Expenses			
Salaries, wages & contract labor	98,273,208	97,463,171	195,736,380
Benefits	23,280,935	23,323,767	46,604,702
Supplies	29,535,836	28,416,659	57,952,495
Prof fees & purch svcs	36,954,217	34,525,056	71,479,273
Depreciation	13,003,136	14,337,518	27,340,653
Other	8,675,203	9,304,774	17,979,977
Total expenses	209,722,536	207,370,945	417,093,481
Income from operations	(11,879,331)	(7,006,893)	(18,886,226)
Non-operating revenue (expense)			
Property tax revenues ¹	5,875,000	5,875,000	11,750,000
Investment Income	4,556,725	7,818,933	12,375,658
Interest Expense	(12,402,130)	(12,550,148)	(24,952,278)
Non-operating depreciation	(3,309,567)	(3,234,742)	(6,544,309)
Other non-operating revenue(expense)	(46,902)	(1,589,051)	(1,635,953)
Net income ²	(17,206,207)	(10,686,901)	(27,893,107)
EBIDA Margin	5.8%	9.7%	7.8%

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

2= Excludes G.O. Bonds income / expense

Assets	Quarter Ended		Fiscal Year Ended
	Dec-23	Sep-23	Jun-23
Current Assets			
Cash and cash equivalents	22,753,898	610,238	64,696,934
Investments	65,633,278	110,503,682	119,515,170
Board Designated	5,735,931	6,495,823	13,678,054
Total cash,cash equivalents & investments	94,123,107	117,609,743	197,890,158
Patient Accounts Receivable	487,220,722	472,656,222	489,931,574
Allowance on accounts	(300,805,958)	(295,152,669)	(304,856,426)
Net accounts receivable	186,414,764	177,503,552	185,075,148
Inventories	11,736,358	12,628,603	12,821,349
Prepaid expenses	12,737,697	16,271,135	12,445,827
Est. third party settlements	100,606,186	96,658,546	71,203,136
Other	63,191,952	63,437,727	58,923,618
Total current assets	468,810,065	484,109,306	538,359,237
Non-Current Assets			
Restricted assets	143,117,022	143,336,762	141,325,098
Restricted other	356,483	356,386	356,226
Total restricted assets	143,473,505	143,693,148	141,681,325
Property, plant & equipment	1,509,442,603	1,509,282,904	1,502,491,970
Accumulated depreciation	(644,784,158)	(634,928,705)	(624,985,735)
Construction in process	104,414,126	100,118,517	94,719,898
Net property, plant & equipment	969,072,572	974,472,715	972,226,134
Right of Use Assets	283,059,997	282,319,980	275,542,766
Investment related companies	6,250,792	6,033,974	5,427,952
Prepaid debt insurance costs	7,454,192	7,532,277	7,610,393
Other non-current assets	60,841,629	46,392,016	47,276,630
Total non-current assets	1,470,152,686	1,460,444,110	1,449,765,200
Total assets	1,938,962,752	1,944,553,416	1,988,124,437
Deferred outflow of resources-loss on refunding of debt	45,825,205	51,691,911	52,390,338
Total assets and deferred outflow of resources	1,984,787,957	1,996,245,327	2,040,514,775

Liabilities	Quarter Ended		Fiscal Year Ended
	Dec-23	Sep-23	Jun-23
Current Liabilities			
Accounts payable	58,457,267	47,130,883	71,057,718
Accrued payroll	32,831,367	25,823,872	28,007,606
Accrued PTO	23,871,989	24,766,960	25,380,895
Accrued interest payable	8,752,571	18,041,012	9,200,926
Current portion of bonds	8,520,000	8,110,000	8,110,000
Current portion of lease liab	15,184,893	13,552,125	10,965,390
Est. third party settlements	18,652,239	15,470,193	15,470,193
Other current liabilities	115,823,750	103,777,947	108,925,212
Total current liabilities	282,094,075	256,672,993	277,117,938
Long Term Liabilities			
Other LT liabilities	2,805,337	2,871,051	2,971,429
Bonds & contracts payable	726,144,882	740,546,572	741,260,101
Lease liabilities	290,408,260	288,503,251	282,271,128
Total long term liabilities	1,019,358,479	1,031,920,874	1,026,502,657
Total liabilities	1,301,452,554	1,288,593,868	1,303,620,595
Deferred inflow of resources- unearned revenue	7,085,452	6,924,505	6,763,558
Total liabilities and deferred inflow of resources	1,308,538,006	1,295,518,373	1,310,384,153
Net Position			
Unrestricted	675,893,467	700,370,568	729,774,395
Restricted for other purpose	356,483	356,386	356,226
Total net position	676,249,950	700,726,955	730,130,621
Total liabilities, deferred inflow of resources and net position	1,984,787,957	1,996,245,327	2,040,514,774

Statement of Net Position including G.O. Bonds
Excludes PHMG

Assets	Quarter Ended		Fiscal Year Ended
	Dec-23	Sep-23	Jun-23
Current Assets			
Cash and cash equivalents	22,753,898	610,238	64,696,934
Investments	65,633,278	110,503,682	119,515,170
Board Designated	5,735,931	6,495,823	13,678,054
Total cash,cash equivalents & investments	94,123,107	117,609,743	197,890,158
Patient Accounts Receivable	487,220,722	472,656,222	489,931,574
Allowance on accounts	(300,805,958)	(295,152,669)	(304,856,426)
Net accounts receivable	186,414,764	177,503,552	185,075,148
Inventories	11,736,358	12,628,603	12,821,349
Prepaid expenses	12,737,698	16,271,136	12,445,828
Est. third party settlements	100,606,186	96,658,546	71,203,136
Other	74,215,613	76,472,649	59,335,542
Total current assets	479,833,727	497,144,228	538,771,161
Non-Current Assets			
Restricted assets	193,599,835	177,627,048	203,456,651
Restricted other	356,483	356,386	356,226
Total restricted assets	193,956,318	177,983,434	203,812,877
Property, plant & equipment	1,509,442,603	1,509,282,904	1,502,491,970
Accumulated depreciation	(644,784,158)	(634,928,705)	(624,985,735)
Construction in process	104,414,126	100,118,517	94,719,898
Net property, plant & equipment	969,072,572	974,472,715	972,226,134
Right of Use Assets	283,059,997	282,319,980	275,542,766
Investment related companies	6,250,792	6,033,974	5,427,952
Prepaid debt insurance and other costs	8,836,686	8,953,507	9,070,918
Other non-current assets	60,841,629	46,392,016	47,276,630
Total non-current assets	1,522,017,994	1,496,155,627	1,513,357,277
Total assets	2,001,851,723	1,993,299,855	2,052,128,438
Deferred outflow of resources-loss on refunding of debt	48,522,133	54,442,421	55,194,429
Total assets and deferred outflow of resources	2,050,373,856	2,047,742,277	2,107,322,868

Liabilities	Quarter Ended		Fiscal Year Ended
	Dec-23	Sep-23	Jun-23
Current Liabilities			
Accounts payable	58,457,792	47,130,883	71,060,218
Accrued payroll	32,831,367	25,823,872	28,007,606
Accrued PTO	23,871,989	24,766,960	25,380,895
Accrued interest payable	23,167,241	23,806,880	27,289,238
Current portion of bonds	18,035,044	17,625,044	16,903,916
Current portion of lease liab	15,184,893	13,552,125	10,965,390
Est. third party settlements	18,652,239	15,470,193	15,470,193
Other current liabilities	58,088,383	60,533,342	65,286,498
Total current liabilities	248,288,947	228,709,300	260,363,951
Long Term Liabilities			
Other LT liabilities	2,805,338	2,871,052	2,971,430
Bonds & contracts payable	1,363,687,176	1,377,798,053	1,387,561,498
Lease liabilities	290,408,260	288,503,251	282,271,128
Total long term liabilities	1,656,900,774	1,669,172,356	1,672,804,055
Total liabilities	1,905,189,721	1,897,881,657	1,933,168,006
Deferred inflow of resources- unearned revenue	64,820,819	50,169,110	50,402,272
Total liabilities and deferred inflow of resources	1,970,010,542	1,948,050,766	1,983,570,279
Net Position			
Unrestricted	80,006,831	99,335,124	123,396,362
Restricted for other purpose	356,483	356,386	356,226
Total net position	80,363,314	99,691,510	123,752,588
Total liabilities, deferred inflow of resources and net position	2,050,373,856	2,047,742,277	2,107,322,867

	<u>Dec-23</u>	<u>YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	(2,304,194)	(18,886,226)
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation Expense	4,467,373	27,340,653
Provision for bad debts	11,317,116	50,108,825
Changes in operating assets and liabilities:		
Patient accounts receivable	(9,802,842)	(51,448,435)
Property Tax and other receivables	(689,869)	(2,462,539)
Inventories	(13,097)	1,084,991
Prepaid expenses and other current assets	(1,929,292)	(2,872,465)
Accounts payable	2,237,430	(12,602,426)
Accrued compensation	3,420,035	1,633,596
Estimated settlement amounts due third-party payors	(6,150,795)	(26,221,004)
Other liabilities	(429,221)	(6,096,989)
Net cash provided from (used by) operating activities	<u>122,644</u>	<u>(40,422,019)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	(14,388,455)	71,680,574
Income (Loss) on investments	4,294,777	13,436,939
Investment in affiliates	(3,874,175)	(24,449,362)
Net cash provided from (used by) investing activities	<u>(13,967,853)</u>	<u>60,668,151</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	13,349,174	16,888,261
Receipt of District Taxes	7,644,043	9,819,915
Net cash provided from non-capital financing activities	<u>20,993,217</u>	<u>26,708,176</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds on asset sale	0	17,740
Acquisition of property plant and equipment	(330,646)	(16,808,144)
G.O. Bond Interest paid	0	(20,804,366)
Revenue Bond Interest paid	0	(17,997,585)
ROU Interest paid	(1,120,910)	(6,904,502)
Payments of Long Term Debt	0	(18,922,306)
Payments of Long Term Lease Liabilities	(1,614,856)	(7,478,180)
Net cash provided from (used by) capital and related financing activities	<u>(3,066,412)</u>	<u>(88,897,344)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,081,596	(41,943,036)
CASH AND CASH EQUIVALENTS - Beginning of period	<u>18,672,302</u>	<u>64,696,934</u>
CASH AND CASH EQUIVALENTS - End of period	<u>22,753,898</u>	<u>22,753,898</u>

Supplemental Information

*Financial performance includes Palomar Health Medical Group (PHMG) and Consolidating Schedules

	PH	PHMG	PAC	Eliminations	Total
ASSETS					
Current assets	510,992,564	55,776,066	3,188,058	(47,600,435)	522,356,253
Capital assets - net	969,072,572	8,717,040	-	-	977,789,612
Right of use assets - net	283,059,997	46,127,768	-	(23,669,031)	305,518,734
Non-current assets	238,726,590	4,692,813	-	(5,381,151)	238,038,252
Total assets	2,001,851,723	115,313,687	3,188,058	(76,650,617)	2,043,702,852
Deferred outflow of resources	48,522,133	-	-	-	48,522,133
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	2,050,373,856	115,313,687	3,188,058	(76,650,617)	2,092,224,985
LIABILITIES AND NET POSITION					
Current liabilities	211,864,095	73,823,983	205,249	(51,201,866)	234,691,463
Long-term liabilities	1,379,305,148	4,181,151	-	(4,181,151)	1,379,305,148
Right of use lease liabilities	290,408,260	40,527,777	-	(20,834,204)	310,101,833
Total liabilities	1,881,577,503	118,532,911	205,249	(76,217,221)	1,924,098,443
Deferred inflow of resources - deferred revenue	88,433,039	-	-	-	88,433,039
Total liabilities and deferred inflow of resources	1,970,010,542	118,532,911	205,249	(76,217,221)	2,012,531,482
Invested in capital assets - net of related debt	(255,802,921)	7,168,380	-	766,604	(247,867,937)
Restricted	42,871,549	-	-	-	42,871,549
Unrestricted	293,294,686	(10,387,605)	2,982,809	(1,200,000)	284,689,890
Total net position	80,363,314	(3,219,224)	2,982,809	(433,396)	79,693,503
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	2,050,373,856	115,313,687	3,188,058	(76,650,617)	2,092,224,985

Note: Financial Performance includes GO Bonds

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

For the Fiscal Year-to-Date Ended December 31, 2023

	PH	PHMG	PAC	Elimination	YTD Consolidated
OPERATING REVENUE:					
Net patient service revenue	364,099,438	46,451,273	-	-	410,550,711
Shared risk revenue	26,844,590	25,776,221	-	(2,837,084)	49,783,727
Other revenue	7,263,227	4,968,599	1,677,455	(248,461)	13,660,819
PH Program revenue	-	9,069,223	-	(9,069,223)	-
Total operating revenue	398,207,255	86,265,316	1,677,455	(12,154,768)	473,995,257
OPERATING EXPENSES	389,752,828	110,929,981	1,590,378	(15,195,423)	487,077,764
DEPRECIATION AND AMORTIZATION	27,340,653	2,083,841	-	-	29,424,494
Total operating expenses	417,093,481	113,013,822	1,590,378	(15,195,423)	516,502,259
INCOME (LOSS) FROM OPERATIONS	(18,886,226)	(26,748,506)	87,076	3,040,655	(42,507,001)
NON-OPERATING INCOME (EXPENSE):					
Investment income	13,436,940	593	-	-	13,437,533
Interest expense	(43,024,136)	(125,469)	-	95,480	(43,054,125)
Property tax revenue	39,249,998	-	-	-	39,249,998
Other - net	(8,125,482)	2,056,842	-	(2,995,107)	(9,063,748)
Total non-operating expense - net	1,537,320	1,931,966	-	(2,899,628)	569,659
CHANGE IN NET POSITION	(17,348,906)	(24,816,540)	87,076	141,027	(41,937,343)
Interfund - PHMG	(25,875,181)	24,692,812	-	-	(1,182,369)
NET POSITION - Beginning of year	123,587,401	(3,095,496)	2,895,733	(574,423)	122,813,215
NET POSITION - Year to date	80,363,314	(3,219,224)	2,982,809	(433,396)	79,693,503
EBIDA					67,626,862
EBIDA Margin					14.3%

Note: Financial Performance includes GO Bonds

Investment Fund - Quarter Ended December 31, 2023 Yield Analysis

Investment Account:	% of Portfolio at 12/31/2023	Maturity Date	Yield	Benchmark		Actual to Benchmark Variance	Total Yield
Fidelity-Institutional Portfolio Treasury Fund	10.92%	Demand	5.26%	5.35%	(1)	(0.09%)	0.57%
State Treasurer Local Agency Investment Fund	59.71%	Demand	4.00%	3.81%	(2)	0.19%	2.39%
Morgan Stanley	24.62%	Various	2.91%	3.44%	(3)	(0.53%)	0.72%
				11.69%	(4)	(8.78%)	
Chandler Asset Management	3.30%	Various	2.45%	3.44%	(3)	(0.99%)	0.08%
				11.69%	(4)	(9.24%)	
Goldman Sachs Asset Management	1.45%	Various	5.00%	5.35%	(1)	(0.35%)	0.07%
Total:	<u>100.00%</u>						

TOTAL YIELD: 3.83%

PRIOR QUARTER: 3.38%

PRIOR YEAR: 1.77%

(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

Revenue Cycle - Key Performance Indicators (KPIs)

October 2023	November 2023	December 2023
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Board Package:

Total Net A/R (\$)	184,942,165	187,929,038	186,414,764
Net Days in A/R (Days)	89.7	88.7	87.2
DNFB (Days) - Post Suspense	1.7	1.4	2.2
True Cash Denial (%)	6.6%	5.4%	4.8%

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. If the