

FINANCE COMMITTEE

Meeting Agenda

Wednesday, March 26, 2025

1:30 p.m.

Please see page 2 for meeting location options

	The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"	Time	Form A Page	Target
Call To Order				
I.	Establishment of Quorum	1		1:30
II.	Public Comments¹	30		2:00
III.	Action Item(s) (ADD A)			
	a. Finance Committee Minutes, February 26, 2025 (Pp 6-10)	5		2:05
	b. Guidehouse Turnaround Project Update – Informational Only (Pp 11-14)	15		2:20
	c. YTD FY2025 and February 2025 Financials (Pp 15-39)	25		2:45
Final Adjournment				

Board Finance Committee Members

Voting Members	Non-Voting Members
Linda Greer, RN, Chair	Andrew Tokar, Chief Financial Officer
Michael Pacheco, Director	Omar Khawaja, MD, Chief Medical Officer
Jeff Griffith, EMT-P, Director	Mel Russell, RN, Chief Nurse Executive/Chief Operating Officer
Diane Hansen, President & CEO	Melissa Wallace, Vice President, Finance
Kanchan Koirala, MD, Chief of Staff Palomar Medical Center Escondido	
Mark Goldsworthy, MD, Chief of Staff Palomar Medical Center Poway	
Alternate Voting Members	
Laurie Edwards-Tate, MS – 1 st Board Alternate	
Andrew Nguyen, MD, Chief of Staff-Elect, Escondido	
Paul Ritchie, MD, Chief of Staff-Elect, Poway	

Note: If you need special assistance to participate in the meeting,
please call 760.740.6375, 72 hours prior to the meeting so that we may provide reasonable accommodations.

¹ 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 3 of the agenda.

Board Finance Committee

Meeting Location Options

Linda Greer Board Room
2125 Citracado Parkway, Suite 300, Escondido, CA 92029

- Elected Board Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Non-Board member attendees, and members of the public may also attend at this location

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

Meeting ID: 236 691 524 70

Pass Code: nK2qk2GB

or

Dial in using your phone at 929.352.2216; Access Code: 558 603 055#¹

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link

- 2198 Palomar Airport Road, Carlsbad, CA. 92008

- An elected member of the Board of Directors will be attending the meeting virtually from these locations

¹ New to Microsoft Teams? Get the app now and be ready when your first meeting starts: [Download Teams](#)

Policy : Public Comments and Attendance at Public Board Meetings

I. PURPOSE:

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

II. DEFINITIONS:

A. None defined.

III. TEXT / STANDARDS OF PRACTICE:

- A. There will be one time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additional public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a [Request for Public Comment form](#) and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.
- B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation.
- C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.
- D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.
- E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.
- F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
 - 1. To receive appropriate notice of meetings;
 - 2. To attend with no pre-conditions to attendance;
 - 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
 - 4. To know the result of any ballots cast;
 - 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
 - 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,
 - 7. To publicly criticize Palomar Health or the Board; and
 - 8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.
- I. This policy will be reviewed and updated as required or at least every three years.

Board Finance Committee Meeting

Meeting will begin at 1:30 p.m.



Request for Public Comments

If you would like to make a public comment, please submit a request by doing the following:

- **In Person: Submit Public Comment Form, or verbally submit a request, to the Board Assistant**
- **Virtual: Enter your name and “Public Comment” in the chat function once the meeting opens**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30 minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

ADDENDUM A

Board Finance Committee Meeting Minutes – Wednesday, February 26, 2025

AGENDA ITEM

CONCLUSION/ACTION

DISCUSSION

Notice Of Meeting

Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with agenda packet on the Palomar Health website on Friday, February 21, 2025. An updated agenda packet was posted on the Palomar Health website on Tuesday, February 25, 2025.

Call To Order

The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 1:30 p.m. by Chair Linda Greer.

I. Establishment of Quorum

- Quorum comprised of: Chair Linda Greer, Director Michael Pacheco, Diane Hansen, Kanchan Koirala, MD and Mark Goldsworthy, MD.
- Excused Absences: Director Jeff Griffith

II. Public Comments

- No public comments

III. <i>Action Items</i>	
a. Finance Committee Minutes, May 1, 2024	<p>MOTION by Pacheco, 2nd by Koirala to approve the Finance Committee Minutes from May 1, 2024, as written. Roll call voting was utilized.</p> <p>Director Greer - aye Director Griffith – absent Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD - aye</p> <p>Five in favor. None opposed. One absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> No discussion 	
b. Finance Committee 2025 Meeting Calendar	<p>MOTION by Hansen, 2nd by Pacheco to approve the Finance Committee 2025 Meeting Calendar. Roll call voting was utilized.</p> <p>Director Greer - aye Director Griffith – absent Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD - aye</p> <p>Five in favor. None opposed. One absent. None abstained. Motion approved.</p>

<p>Discussion:</p> <ul style="list-style-type: none"> No discussion 	
c. Finance Committee Charter	<p>MOTION by Pacheco, 2nd by Hansen to approve the Finance Committee Charter as presented. Roll call voting was utilized.</p> <p>Director Greer - aye Director Griffith – absent Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD - aye</p> <p>Five in favor. None opposed. One absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> No discussion 	
d. Guidehouse Turnaround Plan Update – Informational Only	<p>Informational only</p>

Discussion:

- Mark Henning, Director, Healthcare, Guidehouse, shared a presentation with the committee. Committee discussion ensued.

e. YTD FY2025 and January 2025 Financials

MOTION by Hansen, 2nd by Pacheco to approve YTD FY2025 and January 2025 Financials and move to Board of Directors for ratification.
Roll call voting was utilized.

Director Greer - aye
Director Griffith – absent
Director Pacheco – aye
Hansen – aye
Koirala, MD – aye
Goldsworthy, MD - aye

Five in favor. None opposed. One absent. None abstained.
Motion approved.

Discussion:

- Andrew Tokar, Chief Financial Officer, presented the YTD FY2025 and January 2025 Financials to the Committee. Committee discussion ensued.

Final Adjournment

Meeting adjourned by Committee Chair Greer at 2:44 p.m.

Signatures:

Committee Chair

Linda Greer, RN

Committee Assistant

Carla Albright

DRAFT

Margin Improvement / Turnaround Project Financial Update

Reporting Month: Feb-25

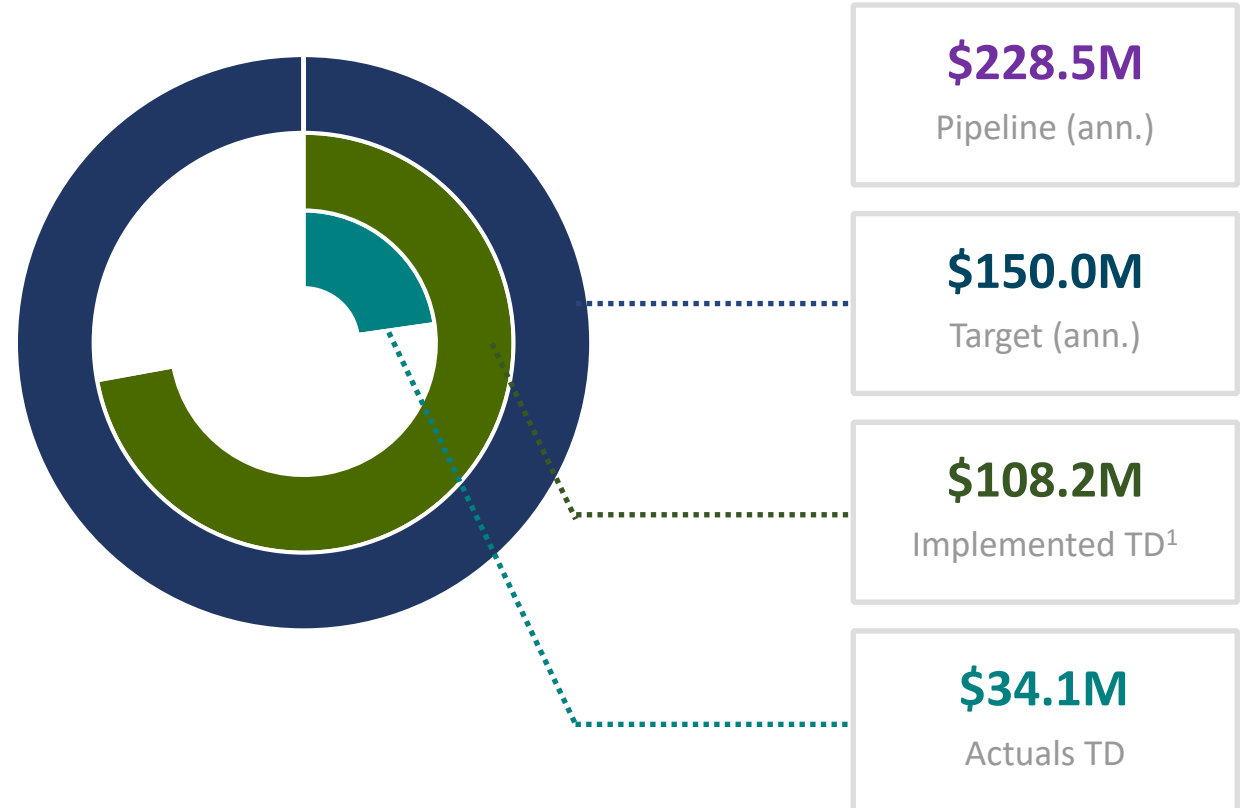
March 26, 2025

Palomar Health has implemented a projected \$108.2M of initiatives and realized \$34.1M in improvement through February

Key implemented initiatives include:

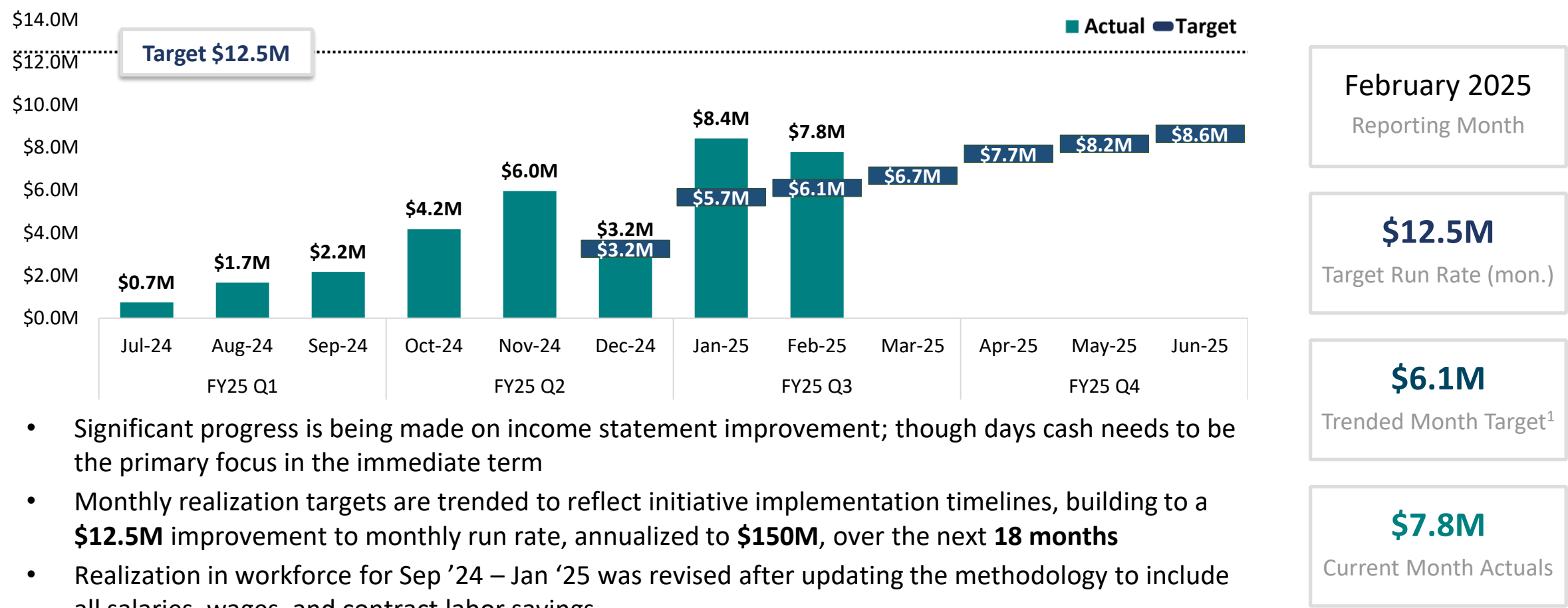
- ✓ **\$35.0M** DHDP Rate Improvement
- ✓ **\$20.0M** Managed Care Negotiations
- ✓ **\$2.1M** Reduction in Corporate Services and Purchased Services
- ✓ **\$1.5M** Workforce Productivity Departmental Improvements

¹Implemented to date value has increased **\$36.0M** from **\$72.2M** presented on 2/26/25



¹Implemented to date (TD) reflects pipeline initiatives actively implemented with and projected impact.

Initiative performance in February 2025 resulted in \$7.8M in realization, exceeding trending monthly target of \$6.1M



- Significant progress is being made on income statement improvement; though days cash needs to be the primary focus in the immediate term
- Monthly realization targets are trended to reflect initiative implementation timelines, building to a **\$12.5M** improvement to monthly run rate, annualized to **\$150M**, over the next **18 months**
- Realization in workforce for Sep '24 – Jan '25 was revised after updating the methodology to include all salaries, wages, and contract labor savings

¹Workstream targets were established and communicated to board 1/27/25; actuals will be tracked against month targets moving forward.

Significant progress is being made on improving the financial results, though liquidity needs to be improved in the near term

Workstream	January		February (Current Month)		Mar.	Status
	Target	Actual	Target	Actual	Target	
Supply Chain & PS	\$0.3M	\$0.3M	\$0.3M	\$0.3M	\$0.4M	
Care Transitions & PSA	\$1.0M	\$1.9M	\$1.0M	\$1.1M	\$1.0M	
PHMG	\$0.6M	\$0.6M	\$0.7M	\$0.4M	\$0.8M	
Workforce & Periop ¹	\$0.6M	\$1.9M	\$0.7M	\$1.0M	\$0.8M	
Corporate Services	\$0.7M	(\$0.8M)	\$0.8M	(\$0.3M)	\$0.8M	
Growth Strategy	\$0.6M	\$0.3M	\$0.7M	\$1.0M	\$0.8M	
Facilities & Real Estate	-	-	-	-	-	
Revenue Cycle	\$1.9M	\$4.1M	\$1.9M	\$4.1M	\$2.1M	
Total:	\$5.7M	\$8.4M	\$6.1M	\$7.8M	\$6.7M	

¹Realization in workforce for Sep '24 – Jan '25 was revised after updating the methodology to include all salaries, wages, and contract labor savings

Key Updates

- **\$1.0M** of Labor savings, driven by reductions in 2024, and continued departmental deep dives
- **\$682K** in Poway ED net revenue improvement through volume growth
- **\$200K** in IT and Rev Cycle contract terminations

High Priority Initiatives

- Short-term Liquidity Improvement
- Perioperative Services staffing & coverage models
- Purchased Services governance structure and additional contract savings
- Corporate department spend reductions and P-Card policy / governance
- PHMG: IKS Solution Implementation
- Real Estate MSA, strategic planning with Cushman & Wakefield

February 2025
Reporting Month

\$6.1M
Trended Month Target

\$7.8M
Current Month Actuals

Status		
On Track	Caution	At Risk

Fiscal Year 2025 Financial Performance

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

February 2025

<u>Page</u>	<u>Report</u>
3	Executive Summary
4-6	Management Discussion and Analysis
7	Other Updates
8-10	Executive Dashboard
11	Income Statement for Fiscal Period, Excludes PHMG
12	Income Statement for Current Year, Excludes PHMG
13	Income Statement for the Current Year versus Prior Year, Excludes PHMG
14	Income Statement for the Current Fiscal Year Trend, Excludes PHMG
15	Statement of Net Position excluding G.O. Bonds, Excludes PHMG
16	Statement of Net Position including G.O. Bonds, Excludes PHMG
17	Statement of Cash Flows, Excludes PHMG
19	Condensed Combining Statement of Net Position for the Fiscal Year-to-Date Ending February 25, 2025
20	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ending February 25, 2025
21	Condensed Combining Statement of Net Position
22	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position
23	Condensed Combining Statement of Cash Flows
24	Bond Covenants
25	Interest Expense

Highlights for February 2025Revenue

- Gross Revenue remained strong and beat budget by \$36.4M
- Net revenue continued a difficult recovery and was below budget by \$5.4M
- Net Capitation impact normalized as utilization came back to the per member utilization average, however we missed expectations by \$250K

Volumes

- Outpatient Emergency visits were 1.3% behind budget
- Both acute patient days and acute discharges are ahead of budget (23.9% and 19.4%, respectively) and prior year (5.0% and 9.1%, respectively.) We continue to be very busy.
- Oncology improved on the month and while still behind budget the miss (8.6%) continued to improve month-to-month
- Skilled Nursing Facility volumes to continue to lag budget by 22.3% on the month

Expenses

- Salaries are favorable to budget by 4.4%
- Benefits improved on the month by 12.1% as self-funded claims continue to decline
- We continue with high premium pay and are specifically working on improvement plans to address this
- While Medical Supplies decreased over the prior month, the number of days in the month played a part in that. On the measure, supplies continue to be lower than the fiscal year average

Other Highlights

- EBIDA for February was 12.0% versus a budget of 13.9%, and YTD has increased to 5.2%*
- Days Cash on Hand Consolidated for February was 15.4 Days and that is down from 20.1 Days from January
- Cash remains a focus for the team as we gear up for a number of outflows for IGT requests in March and debt service payments in April
- Debt Service Coverage improved month-over-month from (0.08) to (0.48), we corrected a calculation error in the current month

Net loss from operations for the month was \$1.8 million, unfavorable to budget by \$2.4 million. The year-to-date loss from operations was \$40.9 million with a \$36.7million unfavorable variance. Net loss for the month was \$4.3 million, unfavorable to budget by \$1.1 million. Net loss year-to-date was \$56.9 million and unfavorable variance of \$43.0 million.

EBIDA margin for the month of February was unfavorable to budget by 1.5% and year-to-date EBIDA margin was unfavorable to budget by 4.9%. Additional comments and further analyses are presented in the following sections.

Patient Utilization

Inpatient (IP) Services

For February YTD, Acute Discharges for the District were 11.4% favorable to budget, and increased 9.1% YOY. Acute Average Daily Census was 9.4% favorable to budget, and increased 5.4% YOY. Total Average Daily Census was 1.6% favorable to budget, and is impacted by Villas patient days (29.2%) unfavorable to budget. Acute Adjusted Discharges were 5.3% favorable to budget, and increased 3.5% YOY. Acute Adjusted Patient Days were 3.4% favorable to budget, and decreased (0.5%) YOY.

IP surgeries for PMC Escondido and PMC Poway were 4,083 cases (4.5% favorable to budget and 3.7% increase YOY). Emergent cases increased YOY due to a 18.0% increase to Inpatient ER Admits.

Deliveries for PMC Escondido were 2,349, which was (1.0%) unfavorable to budget and (5.7%) decrease YOY.

Trauma inpatient admissions were 1,294, which was 23.4% favorable to budget and 16.6% increase YOY.

Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway were 3,350 cases, which was (6.1%) unfavorable to budget and a (11.7%) decrease YOY. Outpatient ER visits were 68,322 (includes trauma), which was (5.1%) unfavorable to budget and a (0.9%) decrease YOY. OP registrations were (16.8%) unfavorable to budget and (17.3%) decrease YOY. ER inpatient admissions were 16.1% favorable to budget and increased 18.0% YOY.

Financial PerformanceOperating Revenue

Net Patient Revenue for the month was \$64.4 million, which was \$5.4 million (8.4%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$1 million, which was \$325 thousand (32.4%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$67.3 million, which was \$3.3 million (4.9%) favorable to budget.

Salaries, Wages & Contract Labor for the month were \$29.8 million, which was \$1.4 million (4.4%) favorable to budget.

Benefits for the month were \$6.4 million, which was \$889 thousand (12.1%) favorable to budget.

Supplies for the month were \$9.6 million, which was \$157 thousand (1.7%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$14.1 million, which was \$83 thousand (1.6%) unfavorable to budget.

Depreciation & Amortization for the month was \$5.1 million, which was \$130 thousand (2.6%) favorable to budget.

Other Direct Expenses for the month were \$3.9 million, which was \$1.2 million (50.6%) favorable to budget.

Net Non-Operating Income/Expense

Net Non-Operating Loss for the month was \$2.4 million, which was \$807 thousand unfavorable to budget due to year-end investments, county redevelopment distribution and lease agreements.

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

For the percentages of Gross Patient Service Revenue by payer financial class we have seen an increase in self-pay which is negatively impacting our net revenue. Cash postings were \$56.2 million. Days in Net A/R are 68.3, a decrease of 2.8 days from the prior month.

Revenue Cycle – Key Performance Indicators (KPIs)

Key Performance Indicators (KPI)	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025
Total Net A/R (\$) ¹	\$ 147,921,747	\$ 154,630,866	\$ 155,574,643	\$ 153,804,994	151,985,346	153,128,078	157,290,461	156,624,969
Net Days in A/R (Days) ²	81.2	79.3	71.9	70.3	70.1	68.9	71.1	68.3
% AR > 90 Days	41.8%	38.5%	41.4%	44.3%	46.5%	40.4%	40.2%	37.9%
% of Avoidable Denial Write-Offs	8.8%	9.2%	10.3%	11.7%	11.7%	11.0%	10.1%	8.4%
Net Revenue Yield	108.2%	104.4%	95.2%	96.2%	100.9%	100.4%	99.3%	98.8%

Balance Sheet

Cash, Cash Equivalents and Investments decreased in February by \$11.8 million primarily due to an effort to increase vendor payments.

The **Days Cash On Hand** ratio decreased by 5.2 days from the prior month to 16.0 days.

¹ Total Net A/R: This is the total amount of accounts receivable which management expects to collect from patients, insurance companies, Medicare, 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 debt and charity write-offs from gross accounts receivable.

² 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.

Follow-up from Previous Finance Committee

1. Pg. 4 Turnaround Plan (Guidehouse) – Add prior month and current month to show progress (Director Pacheco, completed)
2. Denials (Dr. Koirala); ED specific (Chair Greer) (April 2025 packet)
3. Length of Stay Deep Dive (Dr. Koirala, April 2025 packet)
4. Finance Deck Format Change (Andrew - ongoing)

	Month					Year to Date				
	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance
Key Volumes										
Discharges - Total	2,201	1,859	18.4%	1,929	14.1%	17,253	15,646	10.3%	15,900	8.5%
Acute - General	2,157	1,806	19.4%	1,854	16.3%	16,947	15,214	11.4%	15,170	11.7%
Acute - Behavioral Health	-	-	0.0%	39	(100.0%)	-	-	0.0%	360	(100.0%)
Total Acute Discharges	2,157	1,806	19.4%	1,893	14.0%	16,947	15,214	11.4%	15,530	9.1%
The Villas at Poway	44	53	(17.0%)	36	22.2%	306	432	(29.2%)	370	(17.3%)
Patient Days - Total	12,562	11,347	10.7%	11,630	8.0%	96,067	94,523	1.6%	95,544	0.6%
Acute - General	10,073	8,128	23.9%	8,437	19.4%	74,491	68,087	9.4%	68,273	9.1%
Acute - Behavioral Health	-	-	0.0%	331	(100.0%)	-	-	0.0%	2,670	(100.0%)
Total Acute Patient Days	10,073	8,128	23.9%	8,768	14.9%	74,491	68,087	9.4%	70,943	5.0%
The Villas at Poway	2,489	3,219	(22.7%)	2,862	(13.0%)	21,576	26,436	(18.4%)	24,601	(12.3%)
Acute Adjusted Discharges	3,349	3,030	10.5%	3,093	8.3%	26,868	25,520	5.3%	25,964	3.5%
Total Adjusted Discharges*	3,403	3,083	10.4%	3,126	8.9%	27,226	25,952	4.9%	26,347	3.3%
Acute Adjusted Patient Days	15,637	13,622	14.8%	14,328	9.1%	118,002	114,113	3.4%	118,533	(0.5%)
Total Adjusted Patient Days*	18,126	16,841	7.6%	17,190	5.5%	139,578	140,549	(0.7%)	143,134	(2.5%)
Calendar Days	28	28	0.0%	29	(3.5%)	243	243	0.0%	244	(0.4%)
Acute Average Daily Census	360	290	23.9%	302	19.0%	307	280	9.4%	291	5.4%
Total Average Daily Census*	449	405	10.7%	401	11.9%	395	389	1.6%	392	1.0%
Surgeries - Total	929	935	(0.7%)	921	0.9%	7,433	7,474	(0.6%)	7,731	(3.9%)
Inpatient	523	485	7.9%	478	9.4%	4,083	3,906	4.5%	3,938	3.7%
Outpatient	406	450	(9.8%)	443	(8.4%)	3,350	3,568	(6.1%)	3,793	(11.7%)
Deliveries	277	255	8.6%	287	(3.5%)	2,349	2,373	(1.0%)	2,491	(5.7%)
ER Visits (Includes Trauma) - Total										
Inpatient	1,831	1,415	29.4%	1,360	34.6%	13,493	11,627	16.1%	11,434	18.0%
Outpatient	8,495	8,603	(1.3%)	7,713	10.1%	69,322	73,061	(5.1%)	69,964	(0.9%)

	Month					Year to Date				
	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance
Cardiac Cath RVUs	972	1,351	(28.1%)	1,170	(16.9%)	8,299	10,262	(19.1%)	10,110	(17.9%)
Escondido Interv. Radiology RVUs	868	895	(3.0%)	927	(6.4%)	7,687	7,358	4.5%	7,422	3.6%
Poway Interv. Radiology RVUs	266	245	8.7%	236	12.7%	2,106	2,013	4.6%	2,073	1.6%
Radiation Oncology RVUs	2,994	3,274	(8.6%)	3,084	(2.9%)	24,556	34,247	(28.3%)	25,742	(4.6%)
Infusion Therapy Hours	992	798	24.3%	856	15.9%	7,466	6,924	7.8%	5,908	26.4%
Imaging										
Escondido CAT Procedures	8,505	7,766	9.5%	6,960	22.2%	71,216	62,457	14.0%	63,432	12.3%
Poway CAT Procedures	2,545	2,340	8.8%	2,227	14.3%	20,850	19,824	5.2%	18,295	14.0%
Escondido MRI Procedures	461	380	21.3%	363	27.0%	3,644	3,007	21.2%	2,990	21.9%
Poway MRI Procedures	125	109	15.0%	143	(12.6%)	1,058	979	8.1%	1,099	(3.7%)
Escondido Diagnositic Rad. Procedures	6,836	6,728	1.6%	6,383	7.1%	56,199	55,553	1.2%	55,627	1.0%
Poway Diagnositic Rad. Procedures	2,124	2,209	(3.9%)	2,094	1.4%	17,876	18,316	(2.4%)	17,252	3.6%
*Includes The Villas at Poway										

	Month					Year to Date				
	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance	Actual Feb-25	Budget Feb-25	Budget Variance	Prior Year Feb-24	Prior Year Variance
Key Statistics										
Acute Average LOS - Days	4.67	4.50	(3.8%)	4.63	0.8%	4.40	4.48	1.8%	4.57	(3.8%)
Acute - General	4.67	4.50	(3.8%)	4.55	2.6%	4.40	4.48	1.8%	4.50	(2.3%)
Acute Behavioral Health	0.00	0.00	0.0%	8.49	(100.0%)	0.00	0.00	0.0%	7.42	(100.0%)
Average Observation Hours	22	37	40.5%	37	(40.5%)	27	37	27.0%	37	(27.0%)
Acute Case Mix - Excludes Deliveries	1.68	1.86	9.7%	1.86	9.7%	1.71	1.77	3.4%	1.77	3.4%
Acute Case Mix -Medicare Only	1.61	1.91	15.7%	1.91	15.7%	1.68	1.77	5.1%	1.77	5.1%
Labor Productivity by Hrs						98%				
Days Cash on Hand						16				
Financial Performance										
Operating Income	(1,840,463)	562,245	(2,402,708)	(6,471,684)	4,068,976	(40,885,770)	(4,229,491)	(36,656,279)	(30,641,922)	(10,243,848)
Net Income	(4,287,307)	(1,077,205)	(3,210,101)	(8,575,674)	5,365,573	(56,917,972)	(13,871,020)	(43,046,952)	(42,521,058)	(14,396,914)
Oper. Expenses/Adj. Patient Days	3,711	3,881	(4.4%)	3,744	(0.9%)	3,949	3,931	0.5%	3,687	7.1%
EBIDA Margin-Excludes PHMG	6,650,749	8,984,336	(2,333,587)	1,532,664	5,118,085	31,810,849	65,908,758	(34,097,909)	36,067,903	(70,165,812)
EBIDA-Excludes PHMG	10.2%	12.6%	(2.4%)	2.4%	(4.8%)	5.8%	11.2%	(5.4%)	6.8%	(1.0%)

Note: Financial Performance excludes GO Bonds

	<u>Actual</u> <u>Feb 25</u>	<u>Budget</u> <u>Feb 25</u>	<u>Variance</u> <u>Feb 25</u>	<u>Variance</u>		<u>Dollars/Adjusted Patient Day</u>		
				<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Adjusted Patient Days	18,126	16,841	1,285					
Adjusted Discharges	3,403	3,083	320					
Operating Revenue								
Gross revenue	483,903,145	447,538,007	36,365,138	34,147,992	2,217,146	26,696.63	26,574.31	122.32
Deductions from revenue	(419,483,462)	(377,737,070)	(41,746,392)	(28,822,049)	(12,924,343)	(23,142.64)	(22,429.61)	(713.03)
Net patient revenue	64,419,683	69,800,937	(5,381,254)	5,325,943	(10,707,197)	3,553.99	4,144.70	(590.71)
Other operating revenue	1,003,357	1,328,165	(324,808)	101,341	(426,149)	55.35	78.86	(23.51)
Total net revenue	65,423,040	71,129,102	(5,706,062)	5,427,284	(11,133,346)	3,609.35	4,223.57	(614.22)
Operating Expenses								
Salaries, wages & contract labor	29,764,112	31,130,926	1,366,814	(2,375,348)	3,742,162	1,642.07	1,848.52	206.45
Benefits	6,425,530	7,314,096	888,566	(558,079)	1,446,645	354.49	434.30	79.81
Supplies	9,574,746	9,417,243	(157,503)	(718,553)	561,050	528.23	559.19	30.95
Prof fees & purch svcs	14,131,948	14,048,839	(83,109)	(1,071,953)	988,844	779.65	834.20	54.55
Depreciation & amortization	5,078,764	5,208,488	129,724	(397,417)	527,141	280.19	309.27	29.08
Other	2,288,403	3,447,260	1,158,857	(263,032)	1,421,889	126.25	204.69	78.44
Total expenses	67,263,503	70,566,852	3,303,349	(5,384,384)	8,687,733	3,710.89	4,190.18	479.30
Income from operations	(1,840,463)	562,250	(2,402,713)	42,901	(2,445,614)	(101.54)	33.39	(1,093.52)
Non-operating revenue (expense)								
Property tax revenues ¹	1,739,604	2,125,000	(385,396)					
Investment Income	1,112,480	881,113	231,367					
Interest Expense	(4,380,541)	(4,130,682)	(249,859)					
Non-operating depreciation & amortization	(1,478,750)	(722,370)	(756,380)					
Other non-operating revenue(expense)	560,363	207,484	352,879					
Net income(loss) ²	(4,287,307)	(1,077,205)	(3,210,102)					

EBIDA Margin 10.2% 12.6% (2.5%)

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

2= Excludes G.O. Bonds income / expense

	<u>Actual</u> <u>Feb 25</u>	<u>Budget</u> <u>Feb 25</u>	<u>Variance</u> <u>Feb 25</u>	<u>Variance</u>		<u>Dollars/Adjusted Patient Day</u>		
				<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Adjusted Patient Days	139,578	140,549	(971)					
Adjusted Discharges	27,226	25,952	1,274					
Operating Revenue								
Gross revenue	3,845,893,185	3,723,698,828	122,194,357	(25,725,630)	147,919,987	27,553.72	26,493.95	1,059.77
Deductions from revenue	(3,306,957,304)	(3,145,214,899)	(161,742,407)	21,729,103	(183,471,508)	(23,692.54)	(22,378.07)	(1,314.47)
Net patient revenue	538,935,881	578,483,929	(39,548,050)	(3,996,527)	(35,551,521)	3,861.18	4,115.89	(254.71)
Other operating revenue	7,728,733	10,683,323	(2,954,590)	(73,807)	(2,880,783)	55.37	76.01	(20.64)
Total net revenue	546,664,614	589,167,252	(42,502,640)	(4,070,334)	(38,432,304)	3,916.55	4,191.90	(275.35)
Operating Expenses								
Salaries, wages & contract labor	251,316,928	260,849,685	9,532,755	1,802,112	7,730,645	1,800.55	1,855.93	55.39
Benefits	66,070,848	70,055,104	3,984,256	483,984	3,500,272	473.36	498.44	25.08
Supplies	81,701,206	80,323,033	(1,378,173)	554,922	(1,933,095)	585.34	571.49	(13.85)
Prof fees & purch svcs	123,514,362	113,634,678	(9,879,683)	785,059	(10,664,743)	884.91	808.51	(76.41)
Depreciation & amortization	41,459,901	40,955,362	(504,539)	282,945	(787,484)	297.04	291.40	(5.64)
Other	23,487,135	27,578,830	4,091,695	190,532	3,901,163	168.27	196.22	27.95
Total expenses	587,550,380	593,396,692	5,846,311	4,099,554	1,746,758	4,209.48	4,221.99	12.51
Income from operations	(40,885,766)	(4,229,440)	(36,656,326)	29,220	(36,685,546)	(292.92)	(30.09)	(287.86)
Non-operating revenue (expense)								
Property tax revenues ¹	16,614,604	17,000,000	(385,396)					
Investment Income	9,977,764	8,825,901	1,151,863					
Interest Expense	(35,440,541)	(33,045,455)	(2,395,086)					
Non-operating depreciation & amortization	(11,828,380)	(5,778,962)	(6,049,418)					
Other non-operating revenue(expense)	4,644,348	3,356,936	1,287,412					
Net income(loss) ²	(56,917,971)	(13,871,020)	(43,046,951)					

EBIDA Margin 5.8% 11.2% (5.4%)

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

2= Excludes G.O. Bonds income / expense

	Actual	Prior Year	Variance	Variance		Dollars/Adjusted Patient Day		
	Feb 25	Feb 24	Feb 25	Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	139,578	143,134	(3,556)					
Adjusted Discharges	27,226	26,347	879					
Operating Revenue								
Gross revenue	3,845,893,185	3,559,550,075	286,343,110	(88,432,937)	374,776,047	27,553.72	24,868.66	2,685.07
Deductions from revenue	(3,306,957,304)	(3,035,185,266)	(271,772,040)	75,405,695	(347,177,733)	(23,692.54)	(21,205.20)	(2,487.34)
Net patient revenue	538,935,881	524,364,809	14,571,070	(13,027,242)	27,598,314	3,861.18	3,663.45	197.73
Other operating revenue	7,728,733	9,313,902	(1,585,169)	(231,393)	(1,353,776)	55.37	65.07	(9.70)
Total net revenue	546,664,614	533,678,711	12,985,901	(13,258,635)	26,244,538	3,916.55	3,728.53	188.03
Operating Expenses								
Salaries, wages & contract labor	251,316,928	260,193,358	8,876,428	6,464,205	2,412,225	1,800.55	1,817.83	17.28
Benefits	66,070,848	64,728,666	(1,342,182)	1,608,109	(2,950,291)	473.36	452.22	(21.14)
Supplies	81,701,206	78,656,346	(3,044,860)	1,954,127	(4,998,987)	585.34	549.53	(35.82)
Prof fees & purch svcs	123,514,362	99,281,380	(24,232,981)	2,466,532	(26,699,514)	884.91	693.63	(191.29)
Depreciation & amortization	41,459,901	36,595,377	(4,864,524)	909,170	(5,773,694)	297.04	255.67	(41.37)
Other	23,487,135	24,865,506	1,378,371	617,755	760,616	168.27	173.72	5.45
Total expenses	587,550,380	564,320,633	(23,229,748)	14,019,899	(37,249,646)	4,209.48	3,942.60	(266.87)
Income from operations	(40,885,766)	(30,641,922)	(10,243,844)	761,263	(11,005,107)	(292.92)	(214.08)	454.90
Non-operating revenue (expense)								
Property tax revenues ¹	16,614,604	15,472,614	1,141,990					
Investment Income	9,977,764	15,482,937	(5,505,173)					
Interest Expense	(35,440,541)	(33,257,548)	(2,182,993)					
Non-operating depreciation & amortization	(11,828,380)	(8,736,036)	(3,092,344)					
Other non-operating revenue(expense)	4,644,348	(841,103)	5,485,451					
Net income(loss) ²	(56,917,971)	(42,521,058)	(14,396,913)					

EBIDA Margin 5.8% 6.8% (0.9%)

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

2= Excludes G.O. Bonds income / expense

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Fiscal Year 2025
Adjusted Patient Days	16,533	17,241	17,034	17,052	16,530	17,801	19,261	18,126	139,578
Adjusted Discharges	3,374	3,358	3,348	3,424	3,237	3,575	3,507	3,403	27,226
Operating Revenue									
Gross revenue	485,400,622	481,303,720	467,378,630	474,558,980	460,334,838	489,498,380	503,514,870	483,903,145	3,845,893,185
Deductions from revenue	415,757,901	415,886,085	403,359,082	402,798,738	398,689,551	418,393,206	432,589,279	419,483,462	3,306,957,304
Net patient revenue	69,642,721	65,417,635	64,019,548	71,760,242	61,645,287	71,105,174	70,925,591	64,419,683	538,935,881
Other operating revenue	920,937	782,991	1,167,339	1,079,195	1,127,177	717,219	930,518	1,003,357	7,728,733
Total net revenue	70,563,658	66,200,626	65,186,887	72,839,437	62,772,464	71,822,393	71,856,109	65,423,040	546,664,614
Operating Expenses									
Salaries, wages & contract labor	32,166,595	32,697,011	31,039,334	31,126,296	30,170,077	32,586,392	31,767,111	29,764,112	251,316,928
Benefits	7,845,288	9,667,894	8,249,929	7,595,482	7,835,218	9,168,549	9,282,958	6,425,530	66,070,848
Supplies	9,937,683	10,435,128	10,495,794	10,460,309	9,232,381	11,450,897	10,114,268	9,574,746	81,701,206
Prof fees & purch svcs	15,022,459	14,994,548	15,811,542	17,142,092	16,662,021	15,745,771	14,003,981	14,131,948	123,514,362
Depreciation & amortization	4,970,802	4,965,343	4,988,370	5,439,793	4,899,938	6,007,449	5,109,442	5,078,764	41,459,901
Other	2,622,147	2,630,102	2,712,652	4,403,218	2,425,595	2,503,764	3,901,254	2,288,403	23,487,135
Total expenses	72,564,974	75,390,026	73,297,621	76,167,190	71,225,230	77,462,822	74,179,014	67,263,503	587,550,380
Income from operations	(2,001,316)	(9,189,400)	(8,110,734)	(3,327,753)	(8,452,766)	(5,640,429)	(2,322,905)	(1,840,463)	(40,885,766)
Non-operating revenue (expense)									
Property tax revenues ¹	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	1,739,604	16,614,604
Investment Income	1,264,998	1,347,561	1,207,216	1,237,202	990,738	1,332,954	1,484,615	1,112,480	9,977,764
Interest Expense	(4,431,370)	(4,424,943)	(4,426,719)	(4,449,375)	(4,418,116)	(4,515,644)	(4,393,833)	(4,380,541)	(35,440,541)
Non-operating depreciation & amortization	(1,477,130)	(1,478,750)	(1,478,750)	(1,478,750)	(1,478,046)	(1,479,454)	(1,478,750)	(1,478,750)	(11,828,380)
Other non-operating revenue(expense)	595,819	582,346	639,696	(581,209)	673,917	(52,280)	2,225,696	560,363	4,644,348
Net income(loss) ²	(3,923,999)	(11,038,186)	(10,044,291)	(6,474,885)	(10,559,273)	(8,229,853)	(2,360,177)	(4,287,307)	(56,917,971)
EBIDA Margin	9.9%	-0.3%	1.3%	6.7%	0.4%	5.3%	12.0%	10.2%	5.8%

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

2= Excludes G.O. Bonds income / expense

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

Assets	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Assets					
Cash and cash equivalents	13,000,438	26,360,524	15,642,922	3,778,125	17,359,239
Investments	19,605,493	34,765,900	32,039,319	32,106,194	54,298,096
Board Designated	7,082,739	-	-	-	7,082,739
Total cash, cash equivalents & investments	39,688,670	61,126,423	47,682,241	35,884,319	78,740,073
Patient Accounts Receivable	498,397,340	552,113,099	537,677,625	530,520,957	475,079,653
Allowance on accounts	(346,411,994)	(398,985,021)	(380,387,164)	(373,895,989)	(327,700,367)
Net accounts receivable	151,985,346	153,128,078	157,290,461	156,624,969	147,379,287
Inventories	12,910,271	12,883,827	12,948,641	12,909,464	12,512,288
Prepaid expenses	18,558,289	20,918,729	18,841,204	17,240,243	9,872,204
Est. third party settlements	102,440,341	100,436,170	91,525,345	97,335,093	87,806,947
Other	74,141,312	73,208,682	72,523,479	74,352,101	71,689,100
Total current assets	399,724,229	421,701,910	400,811,371	394,346,189	407,999,899
Non-Current Assets					
Restricted assets	91,977,105	92,322,093	92,626,084	92,929,848	106,528,977
Restricted other	357,163	357,237	357,317	357,317	356,833
Total restricted assets	92,334,269	92,679,330	92,983,401	93,287,165	106,885,809
Property, plant & equipment	1,555,210,075	1,555,311,137	1,555,380,266	1,555,435,345	1,556,364,751
Accumulated depreciation	(662,194,516)	(665,750,415)	(669,270,190)	(672,797,656)	(644,358,038)
Construction in process	67,488,625	67,460,106	68,788,117	69,395,353	57,513,297
Net property, plant & equipment	960,504,184	957,020,827	954,898,192	952,033,041	969,520,010
Right of Use Assets	324,583,606	328,260,640	325,346,653	322,316,604	334,609,278
Investment related companies	2,021,842	2,574,846	2,907,329	2,911,516	6,754,766
Prepaid debt insurance costs	7,168,113	7,142,139	7,116,165	7,090,192	7,298,149
Other non-current assets	69,627,915	68,744,996	68,238,376	67,980,619	78,831,767
Total non-current assets	1,456,239,930	1,456,422,778	1,451,490,117	1,445,619,136	1,503,899,779
Total assets	1,855,964,159	1,878,124,687	1,852,301,488	1,839,965,325	1,911,899,678
Deferred outflow of resources-loss on refunding of debt	43,428,144	43,210,229	42,992,314	42,774,400	44,517,717
Total assets and deferred outflow of resources	1,899,392,302	1,921,334,916	1,895,293,802	1,882,739,725	1,956,417,396

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Liabilities					
Accounts payable	106,161,799	122,090,155	118,811,183	111,781,823	67,475,287
Accrued payroll	35,889,106	43,390,390	28,565,370	29,561,067	38,178,331
Accrued PTO	23,129,962	22,628,427	22,527,814	22,651,682	24,267,836
Accrued interest payable	6,003,674	8,973,015	11,890,135	14,680,683	8,905,068
Current portion of bonds	8,925,000	8,925,000	8,925,000	8,925,000	8,530,000
Current portion of lease liab	20,065,534	21,398,808	21,316,854	21,287,484	20,245,743
Est. third party settlements	7,256,147	17,512,022	16,998,461	16,238,521	16,933,480
Other current liabilities	131,779,295	126,663,460	123,495,406	122,100,347	128,832,172
Total current liabilities	339,210,517	371,581,276	352,530,224	347,226,607	313,367,918
Long Term Liabilities					
Other LT liabilities	27,597,980	27,576,075	27,554,170	27,532,265	27,708,572
Bonds & contracts payable	714,758,745	714,536,038	714,313,332	714,090,625	724,797,898
Lease liabilities	336,405,630	338,627,542	337,184,037	334,424,640	342,095,335
Total long term liabilities	1,078,762,355	1,080,739,655	1,079,051,539	1,076,047,531	1,094,601,805
Total liabilities	1,417,972,872	1,452,320,931	1,431,581,763	1,423,274,138	1,407,969,723
Deferred inflow of resources- unearned revenue	6,901,094	6,850,577	6,800,059	6,749,541	6,653,683
Total liabilities and deferred inflow of resources	1,424,873,966	1,459,171,508	1,438,381,822	1,430,023,680	1,414,623,405
Net Position					
Unrestricted	474,161,172	461,806,170	456,554,663	452,358,728	541,437,159
Restricted for other purpose	357,163	357,237	357,317	357,317	356,833
Total net position	474,518,335	462,163,407	456,911,980	452,716,045	541,793,991
Total liabilities, deferred inflow of resources and net position	1,899,392,301	1,921,334,915	1,895,293,802	1,882,739,725	1,956,417,396

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

Assets	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Assets					
Cash and cash equivalents	13,000,438	26,360,524	15,642,922	3,778,125	17,359,239
Investments	19,605,493	34,765,900	32,039,319	32,106,194	54,298,096
Board Designated	7,082,739	-	-	-	7,082,739
Total cash, cash equivalents & investments	39,688,670	61,126,423	47,682,241	35,884,319	78,740,073
Patient Accounts Receivable	498,397,340	552,113,099	537,677,625	530,520,957	475,079,653
Allowance on accounts	(346,411,994)	(398,985,021)	(380,387,164)	(373,895,989)	(327,700,367)
Net accounts receivable	151,985,346	153,128,078	157,290,461	156,624,969	147,379,287
Inventories	12,910,271	12,883,827	12,948,641	12,909,464	12,512,288
Prepaid expenses	18,558,289	20,918,729	18,841,204	17,240,243	9,872,204
Est. third party settlements	102,440,341	100,436,170	91,525,345	97,335,093	87,806,947
Other	92,287,451	83,621,439	78,595,640	82,132,530	71,978,298
Total current assets	417,870,368	432,114,666	406,883,532	402,126,618	408,289,097
Non-Current Assets					
Restricted assets	135,881,907	148,691,141	158,095,958	148,149,953	176,672,759
Restricted other	357,163	357,237	357,317	357,317	356,833
Total restricted assets	136,239,071	149,048,379	158,453,275	148,507,271	177,029,591
Property, plant & equipment	1,555,210,075	1,555,311,137	1,555,380,266	1,555,435,345	1,556,364,751
Accumulated depreciation	(662,194,516)	(665,750,415)	(669,270,190)	(672,797,656)	(644,358,038)
Construction in process	67,488,625	67,460,106	68,788,117	69,395,353	57,513,297
Net property, plant & equipment	960,504,184	957,020,827	954,898,192	952,033,041	969,520,010
Right of Use Assets	324,583,606	328,260,640	325,346,653	322,316,604	334,609,278
Investment related companies	2,021,842	2,574,846	2,907,329	2,911,516	6,754,766
Prepaid debt insurance and other costs	8,408,574	8,369,688	8,330,802	8,291,916	8,603,170
Other non-current assets	69,627,915	68,744,996	68,238,376	67,980,619	78,831,767
Total non-current assets	1,501,385,193	1,514,019,375	1,518,174,627	1,502,040,967	1,575,348,583
Total assets	1,919,255,561	1,946,134,041	1,925,058,159	1,904,167,584	1,983,637,680
Deferred outflow of resources-loss on refunding of debt	45,928,607	45,692,832	45,457,056	45,221,281	47,107,482
Total assets and deferred outflow of resources	1,965,184,169	1,991,826,873	1,970,515,216	1,949,388,867	2,030,745,163

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Nov-24	Dec-24	Jan-25	Feb-25	Jun-24
Current Liabilities					
Accounts payable	106,162,324	122,090,655	118,811,183	111,781,823	67,477,787
Accrued payroll	35,889,106	43,390,390	28,565,370	29,561,067	38,178,331
Accrued PTO	23,129,962	22,628,427	22,527,814	22,651,682	24,267,836
Accrued interest payable	17,535,410	23,387,685	29,187,740	23,182,940	28,882,187
Current portion of bonds	19,081,756	19,081,756	19,081,756	19,081,756	18,010,103
Current portion of lease liab	20,065,534	21,398,808	21,316,854	21,287,484	20,245,743
Est. third party settlements	7,256,147	17,512,022	16,998,461	16,238,521	16,933,480
Other current liabilities	61,449,548	57,265,171	54,696,680	53,603,989	55,689,956
Total current liabilities	290,569,787	326,754,915	311,185,859	297,389,263	269,685,423
Long Term Liabilities					
Other LT liabilities	27,597,980	27,576,075	27,554,170	27,532,265	27,708,572
Bonds & contracts payable	1,343,194,301	1,343,058,285	1,342,922,270	1,342,786,254	1,362,956,758
Lease liabilities	336,405,630	338,627,542	337,184,037	334,424,640	342,095,335
Total long term liabilities	1,707,197,911	1,709,261,902	1,707,660,477	1,704,743,159	1,732,760,665
Total liabilities	1,997,767,698	2,036,016,817	2,018,846,336	2,002,132,422	2,002,446,088
Deferred inflow of resources- unearned revenue	77,230,844	76,248,867	75,598,786	75,245,901	79,795,899
Total liabilities and deferred inflow of resources	2,074,998,542	2,112,265,684	2,094,445,122	2,077,378,324	2,082,241,987
Net Position					
Unrestricted	(110,171,537)	(120,796,048)	(124,287,223)	(128,346,774)	(51,853,656)
Restricted for other purpose	357,163	357,237	357,317	357,317	356,833
Total net position	(109,814,373)	(120,438,811)	(123,929,906)	(127,989,457)	(51,496,824)
Total liabilities, deferred inflow of resources and net position	1,965,184,169	1,991,826,873	1,970,515,216	1,949,388,867	2,030,745,163

	Feb-25	YTD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	(1,840,463)	(31,081,969)
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation Expense	5,078,764	25,264,246
Provision for bad debts	1,222,863	48,370,127
Changes in operating assets and liabilities:		
Patient accounts receivable	(557,370)	(52,976,187)
Property Tax and other receivables	1,135,462	4,860,969
Inventories	39,177	(397,983)
Prepaid expenses and other current assets	1,882,498	(449,278)
Accounts payable	(7,029,360)	44,706,367
Accrued compensation	1,119,564	(3,427,099)
Estimated settlement amounts due third-party payors	(6,569,688)	(24,310,727)
Other liabilities	(932,184)	7,057,449
Net cash provided from (used by) operating activities	(6,450,737)	17,615,915
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	9,879,130	75,483,125
Income (Loss) on investments	1,320,202	7,089,171
Investment in affiliates	(155,411)	(19,846,328)
Net cash provided from (used by) investing activities	11,043,921	62,725,968
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	1,220,793	5,059,724
Receipt of District Taxes	815,188	3,311,819
Net cash provided from non-capital financing activities	2,035,981	8,371,543
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property plant and equipment	(662,315)	(17,346,423)
G.O. Bond Interest paid	(11,678,281)	(22,860,054)
ROU Interest paid	(1,324,928)	(7,151,625)
Proceeds (Payments) of Long Term Debt	0	(18,011,171)
Payments of Long Term Lease Liabilities	(4,828,438)	(9,908,117)
Net cash provided from (used by) capital and related financing activities	(18,493,962)	(75,277,391)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,864,797)	(4,358,800)
CASH AND CASH EQUIVALENTS - Beginning of period	15,642,922	17,359,239
CASH AND CASH EQUIVALENTS - End of period	3,778,125	13,000,439

Supplemental Information

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

	Palomar Health	PHMG	PAC	Eliminations	Total
ASSETS					
Current assets	446,774,185	63,387,066	4,385,046	(55,397,903)	459,148,394
Capital assets - net	952,033,041	6,660,835	-	-	958,693,876
Right of use assets - net	322,316,604	30,508,964		(20,638,069)	332,187,499
Non-current assets	183,043,756	2,421,973	-	-	185,465,728
Total assets	1,904,167,586	102,978,838	4,385,046	(76,035,972)	1,935,495,497
Deferred outflow of resources	45,221,281	-	-	-	45,221,281
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,949,388,867	102,978,838	4,385,046	(76,035,972)	1,980,716,778
LIABILITIES AND NET POSITION					
Current liabilities	267,963,301	101,159,837	176,925	(59,580,672.89)	309,719,391
Long-term liabilities	1,377,683,489	(18,443)	-	-	1,377,665,046
Right of use lease liabilities	334,424,640	24,282,696	-	(17,477,268)	341,230,068
Total liabilities	1,980,071,430	125,424,091	176,925	(77,057,941)	2,028,614,505
Deferred inflow of resources - deferred revenue	97,306,892	-	-	-	97,306,892
Total liabilities and deferred inflow of resources	2,077,378,322	125,424,091	176,925	(77,057,941)	2,125,921,397
Invested in capital assets - net of related debt	(311,681,804)	5,720,356	-	1,021,969	(304,939,479)
Restricted	40,351,592	-	-	-	40,351,592
Unrestricted	143,340,757	(28,165,609)	4,208,121	-	119,383,268
Total net position	(127,989,455)	(22,445,253)	4,208,121	1,021,969	(145,204,618)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,949,388,867	102,978,837	4,385,046	(76,035,972)	1,980,716,778

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

	Palomar Health	PHMG	PAC	Elimination	YTD Consolidated
OPERATING REVENUE:					
Net patient service revenue	483,669,439	52,920,135	-	-	536,589,574
Shared risk revenue	55,266,442	23,860,189	-	(1,531,133)	77,595,498
Other revenue	7,728,733	5,957,667	223,089	(336,142)	13,573,347
PH Program revenue	-	20,978,158	-	(20,978,158)	-
Total operating revenue	546,664,614	103,716,149	223,089	(22,845,434)	627,758,419
OPERATING EXPENSES	546,090,479	140,396,397	701,562	(27,435,128)	659,753,310
DEPRECIATION AND AMORTIZATION	41,459,901	3,280,525	-	-	44,740,426
Total operating expenses	587,550,380	143,676,922	701,562	(27,435,128)	704,493,737
INCOME (LOSS) FROM OPERATIONS	(40,885,766)	(39,960,773)	(478,473)	4,589,694	(76,735,318)
NON-OPERATING INCOME (EXPENSE):					
Investment income	11,551,363	(765)	-	-	11,550,598
Unrealized loss on interest rate swap	-	-	-	-	-
Interest expense	(59,443,717)	(162,731)	-	141,357	(59,465,092)
Property tax revenue	51,626,996	-	-	-	51,626,996
Other - net	(6,528,034)	(2,017,129)	-	(3,407,552)	(11,952,715)
Total non-operating expense - net	(2,793,392)	(2,180,625)	-	(3,266,196)	(8,240,212)
CHANGE IN NET POSITION	(43,679,158)	(42,141,398)	(478,473)	1,323,498	(84,975,530)
Interfund - PHMG	(32,813,472)	28,795,852	-	-	(4,017,620)
NET POSITION - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(301,529)	(56,211,468)
NET POSITION - Year to date	(127,989,453)	(22,445,256)	4,208,121	1,021,969	(145,204,618)

February 28, 2025

February 28, 2025

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash and cash equivalents	\$ 9,789,439	Accounts payable	111,605,870
Investments	32,106,194	Accrued compensation and related liabilities	46,916,665
Patient accounts receivable - net of allowances for uncollectible accounts of \$108,963	197,050,337	Current portion of general obligation bonds	10,156,756
Other receivables	45,202,945	Current portion of long-term debt	9,266,276
Supplies and inventories	13,585,670	Current portion of lease liabilities	24,271,461
Prepaid expenses and other	19,431,152	Other accrued liabilities	68,073,008
Estimated third-party payor settlements receivable	84,835,093	Accrued interest payable	21,411,632
		Accrued interest payable-ROU's	1,779,201
Total current assets	459,148,394	Total current liabilities	309,719,390
Restricted Noncurrent Cash and Investments		Long-term debt - general obligation bonds - net of current portion	
Held by trustee under indenture agreements	90,645,806		628,695,629
Held by trustee under general obligation bonds indenture	55,220,106	Long-term debt - net of current portion	
Held in escrow for street improvements	2,284,041		748,969,417
Restricted by donor and other	357,317	Long-term debt - Lease liability - net of current portion	
Total restricted noncurrent cash and investments	91,359,706		341,230,068
Capital Assets - net	958,693,876	Total liabilities	2,028,614,504
Right of Use Assets - Net	332,187,499	Deferred inflow of resources - unearned revenue	
Other Assets			97,306,892
Prepaid debt insurance costs	8,291,916	Total liabilities and deferred inflow of resources	
Investment in and amounts due from affiliated entities	3,857,255		2,125,921,396
Other	69,456,851	Net Position	
Total other assets	81,606,022	Net investment in capital assets	(304,939,479)
Total assets	1,935,495,497	Restricted, expendable for:	
		Repayment of debt	37,710,234
		Capital acquisitions	2,284,041
		Other purposes	357,318
		Unrestricted	119,383,268
Deferred outflow of resources - loss on refunding of debt	45,221,281	Total net position	(145,204,618)
Total Assets and Deferred Outflow of Resources	\$ 1,980,716,778	Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 1,980,716,778

February 28, 2025

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$72,546	\$ 536,589,574
Premium revenue	77,595,498
Shared risk revenue	13,573,347
Other revenue	
	<hr/>
Total operating revenue	627,758,419
	<hr/>
Operating Expenses	
Salaries, wages, and benefits	429,452,234
Professional fees	33,774,476
Supplies	85,698,984
Purchased services	77,027,397
Depreciation and amortization	44,740,426
Rent expense	13,438,706
Utilities	3,574,406
Other	16,787,109
	<hr/>
Total operating expenses	704,493,737
	<hr/>
Income (Loss) From Operations	(76,735,318)
	<hr/>
Non-Operating Income (Expenses)	
Investment income	11,550,598
Interest expense	(59,465,090)
Property tax revenue - unrestricted	16,614,604
Property tax revenue - restricted	35,012,392
Amortization expense	(11,390,114)
Other - net	(4,580,223)
	<hr/>
Total non-operating expenses - net	(12,257,833)
	<hr/>
Change in net position	(88,993,151)
	<hr/>
Net Position - Beginning of year	(56,211,468)
	<hr/>
Net Position - February 28, 2025	\$ (145,204,618)
	<hr/>

February 28, 2025

CASH FROM OPERATING ACTIVITIES	
Receipts from:	
Patients, insurers, and other third-party payers	605,202,793
Other sources	(821,575)
Payments to:	
Employees	(442,016,102)
Suppliers	(176,931,003)
	<hr/>
Net cash provided by operating activities	(14,565,887)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipt of district taxes	16,614,604
	<hr/>
Net cash provided by noncapital financing activities	16,614,604
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(11,984,964)
Interest payments on long-term debt	(52,495,901)
Interest payments on lease liabilities	(11,701,087)
Principal repayment on long-term debt	(18,094,865)
Principal repayment on lease obligations	(15,669,537)
Proceeds on sale of capital assets	(47,766)
Receipt of property taxes restricted for debt service on general obligation bonds	35,012,392
Other	(11,276,364)
	<hr/>
Net cash used in capital and related financing activities	(86,258,092)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(73,555,375)
Proceeds from sale of investments	137,425,945
Interest received on investments and notes receivable	6,262,912
Net cash provided by (used in) investing activities	70,133,482
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,075,894)
CASH AND CASH EQUIVALENTS - beginning of year	23,865,333
	<hr/>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 9,789,439</u>

Days Cash on Hand Ratio Covenant	February 28, 2025 Consolidated
Cash and Cash Equivalents	41,895,633
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	704,493,739
Less: Depreciation	44,740,428
Adjusted Expenses	659,753,311
Number of days in period	243
Average Adjusted Expenses per Day	2,715,034
Days Cash on Hand	15.4
REQUIREMENT	65
	NOT ACHIEVED

Debt Service Coverage Ratio Covenant	Consolidated
Excess of revenues over expenses	(98,214,339)
REVERSE:	
Depreciation and Amortization	44,740,428
Depreciation and Amortization-NonOp	-
Interest Expense	35,461,912
Income Available for Debt Service	(18,011,999)
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	37,526,906
Debt Service Coverage Ratio	(0.48)

NOTE: Pre-audit results shown

	<u>Feb-25</u>
<i>Certificates of Participation & Revenue Bonds</i>	\$ 23,788,824
<i>General Obligation Bonds</i>	24,003,178
<i>Interest on ROUs</i>	10,818,381
<i>Interest Other</i>	833,333
<i>PHMG</i>	21,373
<i>Total</i>	<u>\$ 59,465,090</u>