

FINANCE COMMITTEE

Meeting Agenda

Wednesday, April 23, 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, March 26, 2025 (Pp 6-8)	5		2:05
	b. Guidehouse Turnaround Project Update – Informational Only (Pp 9-12)	15		2:20
	c. YTD FY2025 and March 2025 Financials (Pp 13-38)	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*

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, March 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, March 21, 2025. An updated agenda packet was posted on the Palomar Health website on Tuesday, March 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 1:32 p.m. by Chair Linda Greer.

I. Establishment of Quorum

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

*Mark Goldsworthy, MD, joined the meeting virtually after action item III, a, at 1:35 p.m.

II. Public Comments

- No public comments

III. <i>Action Items</i>	
a. Finance Committee Minutes, February 26, 2025	<p>MOTION by Hansen, 2nd by Pacheco to approve the Finance Committee Minutes from February 26, 2025, as written.</p> <p>Roll call voting was utilized. Director Greer - aye Director Griffith – aye Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD - absent</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. Guidehouse Turnaround Plan Update – Informational Only	Informational only
<p>Discussion:</p> <ul style="list-style-type: none"> Mark Henning, Director, Healthcare, Guidehouse, shared a presentation with the committee. Committee discussion ensued. 	

<p>c. YTD FY2025 and February 2025 Financials</p>	<p>MOTION by Pacheco, 2nd by Hansen to approve YTD FY2025 and February 2025 Financials and move to Board of Directors for ratification.</p> <p>Roll call voting was utilized. Director Greer - aye Director Griffith – aye Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD - aye</p> <p>All in favor. None opposed. None absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> Andrew Tokar, Chief Financial Officer, presented the YTD FY2025 and February 2025 Financials to the Committee. Committee discussion ensued. 	
<p>Final Adjournment</p>	
<p>Meeting adjourned by Committee Chair Greer at 2:20 p.m.</p>	
<p>Signatures:</p> <div style="display: flex; justify-content: space-between; margin-top: 100px;"> <div data-bbox="697 1117 882 1146">Committee Chair</div> <div data-bbox="1276 1117 1453 1146">_____ Linda Greer, RN</div> </div>	
<div style="display: flex; justify-content: space-between; margin-top: 100px;"> <div data-bbox="697 1334 919 1364">Committee Assistant</div> <div data-bbox="1297 1334 1453 1364">_____ Carla Albright</div> </div>	

Margin Improvement / Turnaround Project Financial Update

Reporting Month: Mar-25

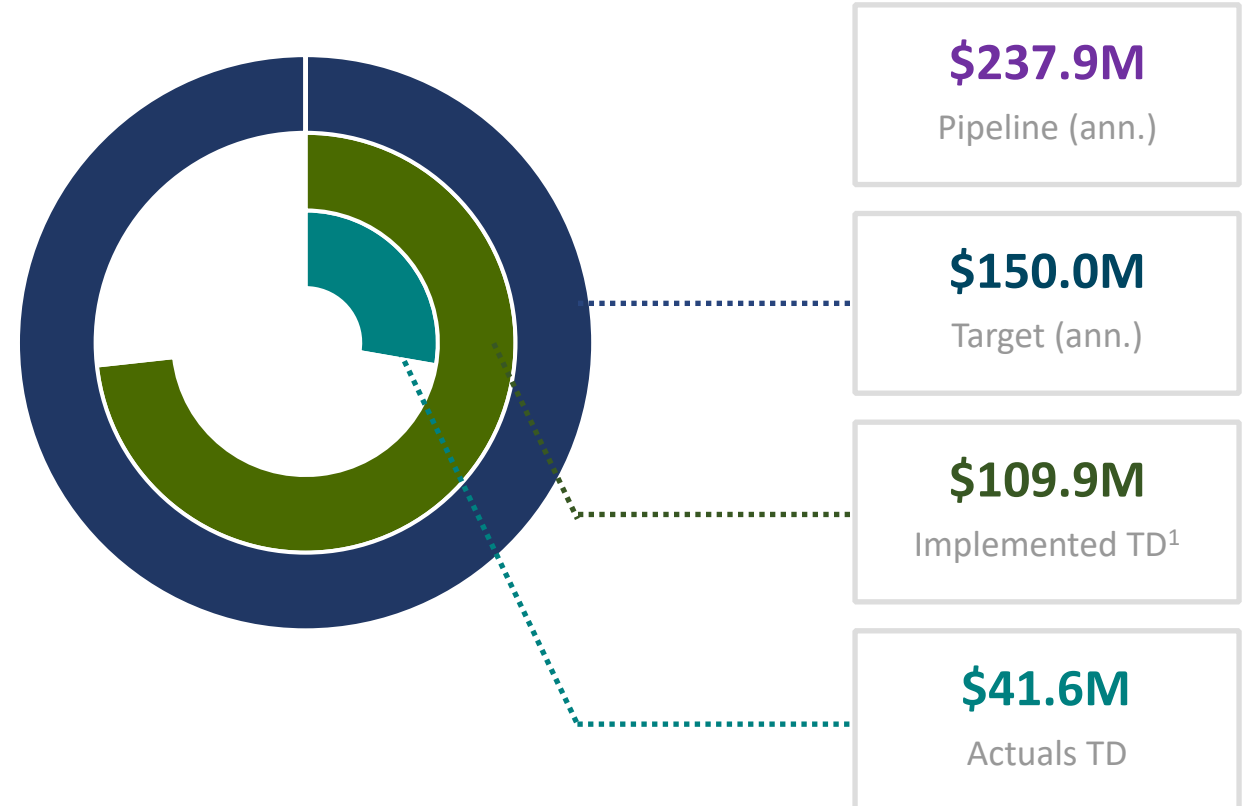
April 23, 2025

Palomar Health has implemented a projected \$109.9M of initiatives and realized \$41.6M in improvement through March

Key FY 25 Q4 upcoming initiatives include:

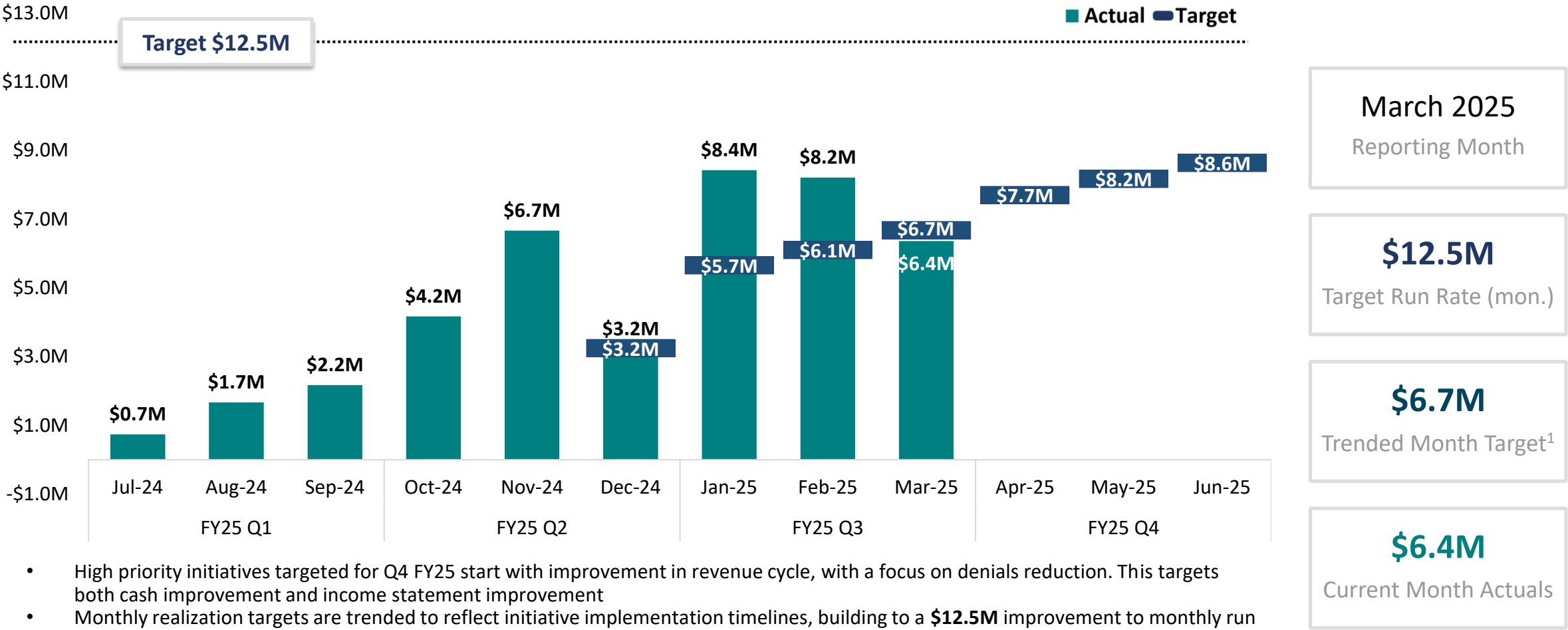
- ❑ **\$10M** Denials Reduction –initial and fatal denials
- ❑ **\$5.0M** Corporate Services – departmental reductions
- ❑ **\$3.5M** Workforce Productivity - departmental and premium pay improvements
- ❑ **\$3.0M** Pediatric ICU – program adjustments
- ❑ **\$3.0M** Villas at Poway - volume and net income improvement

¹Implemented to date value has increased **\$1.7M** from **\$108.2M** presented on 3/26/25



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

Initiative performance in March 2025 resulted in \$6.4M in realization, coming in under the monthly target of \$6.7M



- High priority initiatives targeted for Q4 FY25 start with improvement in revenue cycle, with a focus on denials reduction. This targets both cash improvement and income statement improvement
- 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**

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

Continuing progress is being made on the financial results, high priority initiatives needed to hit Q4 liquidity and income statement goals

Workstream	February		March (Current Month)		Apr.	Status
	Target	Actual	Target	Actual	Target	
Supply Chain & PS	\$0.3M	\$0.3M	\$0.4M	\$0.3M	\$0.4M	
Care Transitions & PSA	\$1.0M	\$1.1M	\$1.0M	\$1.9M	\$1.0M	
PHMG	\$0.7M	\$0.4M	\$0.8M	\$0.7M	\$0.9M	
Workforce & Periop	\$0.7M	\$1.0M	\$0.8M	(\$1.4M)	\$1.0M	
Corporate Services	\$0.8M	(\$0.3M)	\$0.8M	\$0.1M	\$0.9M	
Growth Strategy	\$0.7M	\$1.0M	\$0.8M	\$0.6M	\$0.8M	
Facilities & Real Estate	-	-	-	\$0.0M	\$0.0M	
Revenue Cycle	\$1.9M	\$4.1M	\$2.1M	\$4.1M	\$2.7M	
Total:	\$6.1M	\$7.8M	\$6.7M	\$6.4M	\$7.7M	

Key Updates

- March labor expense increased **\$1.4M from prior FY**, However both gross and patient revenues were up as well. Salaries and Contract Labor Expense is 48.4% of NPR in March '25 as opposed to 56.7% FY24
- \$1.9M** in revenue improvement driven by correct patient classification and throughput improvements compared to prior FY
- \$400K** improvement from prior FY average in both Marketing and Revenue Cycle

High Priority Initiatives

- Short-term Liquidity Improvement
- Revenue Cycle Denials improvement
- PHMG: IKS Solution Implementation
- Departmental Workforce Improvements
- Purchased Services governance structure and additional contract savings
- Real Estate MSA, strategic planning with Cushman & Wakefield

March 2025
Reporting Month

\$6.7M
Trended Month Target

\$6.4M
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*

March 2025

<u>Page</u>	<u>Report</u>
3	Executive Summary
4-6	Management Discussion and Analysis
7-9	Executive Dashboard
10	Income Statement for Fiscal Period, Excludes PHMG
11	Income Statement for Current Year, Excludes PHMG
12	Income Statement for the Current Year versus Prior Year, Excludes PHMG
13	Income Statement for the Current Fiscal Year Trend, Excludes PHMG
14	Statement of Net Position excluding G.O. Bonds, Excludes PHMG
15	Statement of Net Position including G.O. Bonds, Excludes PHMG
16	Statement of Cash Flows, Excludes PHMG
18	Condensed Combining Statement of Net Position for the Fiscal Year-to-Date Ending March 31, 2025
19	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ending March 31, 2025
20	Condensed Combining Statement of Net Position
21	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position
22	Condensed Combining Statement of Cash Flows
23	Bond Covenants
24	Interest Expense
25	Initial Denials by Department
26	Initial Denial by Patient Type and CARC Adjustment Reason

Highlights for March 2025

Revenue

- Strong gross revenue month (though high inpatient ancillary often does not translate to additional net revenues on DRG payers)
- Gross revenue per day was lower than Feb (highest month this year) but ties with January for the next highest month
- Difficult month for capitation, with lower in network expenses and very high out of network expenses

Volumes

- March continued to be a strong month for inpatient volumes, increasing the positive variance to budget and prior year for inpatient days and discharges
 - Inpatient days are 10.1% higher than prior year and discharges are 12.4% YTD
- Adjusted discharges are still favorable to PY (3.7% up) but less favorable than inpatient discharges, reflecting lower outpatient trends. Some of this is driven by Care Transitions work that reduced Observation patients and increased IP's
- For both surgery and emergency room, the trend remains where IP is growing compared to last year and OP is down.
 - IP Surgery is up 4.4% from PYTD
 - IP admits from ED is up 17.9% from PYTD
 - Emergency visits overall are up 1.4% compared to last year, so this primarily a shift from OP to IP, but overall ED volume is down 1.3% compared to PYTD
- While deliveries are still down YOY when you look at the entire year, March deliveries were favorable to budget and 10.5% higher than PY March (28 higher than last March)
- Radiation Onc has generally run behind PYTD but had a strong month of March, beating the budget by 11.8% and PY March by 29.1%
- Length of Service continues to remain lower than budget and PY

Expenses

- Salaries are flat with budget on the month and expenses included a one-time \$2M catch-up accrual for the nurse bonuses
- Premium pay continues to run high and is up 10-15% (depending on area) from earlier this year
- High consulting, attorney fees and other purchased services

Other Highlights

- EBIDA* for March dropped to 8.9%, so we regressed a bit here as expenses escalated on the month, but improved to 6.2% YTD
- Days Cash on Hand Consolidated for March was 12.2 days and that is down from 15.4 days from February
- We made all IGT payments in March and will make all debt service payments in April
- Debt Service Coverage improved month-over-month from (0.08) to 0.01 so the first positive month for us on this metric in the year

Net loss from operations for the month was \$2.1 million, unfavorable to budget by \$3.7 million. The year-to-date loss from operations was \$43.0 million with a \$40.3 million unfavorable variance. Net loss for the month was \$4.4 million, unfavorable to budget by \$4.3 million. Net loss year-to-date was \$61.3 million and unfavorable variance of \$47.3 million.

EBIDA margin for the month of February was unfavorable to budget by 4.1% and year-to-date EBIDA margin was unfavorable to budget by 5.2%. Additional comments and further analyses are presented in the following sections.

Patient Utilization

Inpatient (IP) Services

For March YTD, Acute Discharges for the District were 12.1% favorable to budget, and increased 12.4% YOY. Acute Average Daily Census was 9.6% favorable to budget, and increased 6.3% YOY. Total Average Daily Census was 1.6% favorable to budget, and is impacted by Villas patient days (19.1%) unfavorable to budget. Acute Adjusted Discharges were 5.7% favorable to budget, and increased 3.8% YOY. Acute Adjusted Patient Days were 3.4% favorable to budget, and relatively flat YOY.

IP surgeries for PMC Escondido and PMC Poway were 4,604 cases (3.9% favorable to budget and 4.4% increase YOY). Emergent cases increased YOY due to a 17.9% increase to Inpatient ER Admits.

Deliveries for PMC Escondido were 2,644, which was (0.3%) unfavorable to budget and (4.1%) decrease YOY.

Trauma inpatient admissions were 1,502, which was 27.1% favorable to budget and 19.2% increase YOY.

Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway were 3,746 cases, which was (7.9%) unfavorable to budget and a (12.45%) decrease YOY. Outpatient ER visits were 77,288 (includes trauma), which was (6.4%) unfavorable to budget and a (1.3%) decrease YOY. OP registrations were (14.4%) unfavorable to budget and (11.7%) decrease YOY. ER inpatient admissions were 16.2% favorable to budget and increased 17.9% YOY.

Financial PerformanceOperating Revenue

Net Patient Revenue for the month was \$72.9 million, which was \$4.1 million (5.6%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$744 thousand, which was \$613 thousand (82.4%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$75.0 million, which was \$437 thousand (0.6%) favorable to budget.

Salaries, Wages & Contract Labor for the month were \$34.4 million, which was \$29 thousand (0.1%) favorable to budget.

Benefits for the month were \$7.6 million, which was \$377 thousand (4.9%) favorable to budget.

Supplies for the month were \$10.8 million, which was \$466 thousand (4.3%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$13.2 million, which was \$911 thousand (6.9%) unfavorable to budget.

Depreciation & Amortization for the month was \$5.0 million, which was \$242 thousand (4.9%) favorable to budget.

Other Direct Expenses for the month were \$4.0 million, which was \$597 thousand (14.8%) favorable to budget.

Net Non-Operating Income/Expense

Net Non-Operating Loss for the month was \$2.2 million, which was \$596 thousand unfavorable 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 \$62.4 million. Days in Net A/R are 69.9, a increase of 1.6 days from the prior month due to a higher volumes/charges, even with a higher cash collection month.

Revenue Cycle – Key Performance Indicators (KPIs)

Key Performance Indicators (KPI)	December 2024	January 2025	February 2025	March 2025
Total Net A/R (\$) ¹	153,128,078	157,290,461	156,624,969	161,106,820
Net Days in A/R (Days) ²	68.9	71.1	68.3	69.9
% AR > 90 Days	40.4%	40.2%	37.9%	39.5%
% of Avoidable Denial Write-Offs	11.0%	10.1%	8.4%	6.1%
Net Revenue Yield	100.4%	99.3%	98.8%	96.9%

Balance Sheet

Cash, Cash Equivalents and Investments decreased in February by \$8.7 million primarily due to an effort to increase vendor payments. We will begin to receive supplemental payments in May, and also expect to see an infusion related to the UCSD loan in late April. While a separate corporation, we are expecting PHMG cash receipts to being to improve that will help improve our overall cash position as well. We are working through a number of payer advances/settlements to strengthen liquidity as we move toward year end.

The Days Cash On Hand ratio decreased by 3.9 days from the prior month to 12.1 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.

	Month					Year to Date				
	Actual Mar-25	Budget Mar-25	Budget Variance	Prior Year Mar-24	Prior Year Variance	Actual Mar-25	Budget Mar-25	Budget Variance	Prior Year Mar-24	Prior Year Variance
Key Volumes										
Discharges - Total	2,387	2,052	16.3%	2,078	14.9%	19,640	17,698	11.0%	17,978	9.2%
Acute - General	2,344	1,996	17.4%	1,993	17.6%	19,291	17,210	12.1%	17,163	12.4%
Acute - Behavioral Health	-	-	0.0%	46	(100.0%)	-	-	0.0%	406	(100.0%)
Total Acute Discharges	2,344	1,996	17.4%	2,039	15.0%	19,291	17,210	12.1%	17,569	9.8%
The Villas at Poway	43	56	(23.2%)	39	10.3%	349	488	(28.5%)	409	(14.7%)
Patient Days - Total	12,604	12,421	1.5%	11,648	8.2%	108,671	106,944	1.6%	107,192	1.4%
Acute - General	10,006	8,980	11.4%	8,462	18.3%	84,497	77,067	9.6%	76,735	10.1%
Acute - Behavioral Health	-	-	0.0%	357	(100.0%)	-	-	0.0%	3,027	(100.0%)
Total Acute Patient Days	10,006	8,980	11.4%	8,819	13.5%	84,497	77,067	9.6%	79,762	5.9%
The Villas at Poway	2,598	3,441	(24.5%)	2,829	(8.2%)	24,174	29,877	(19.1%)	27,430	(11.9%)
Acute Adjusted Discharges	3,654	3,347	9.2%	3,437	6.3%	30,522	28,867	5.7%	29,401	3.8%
Total Adjusted Discharges*	3,706	3,403	8.9%	3,473	6.7%	30,932	29,355	5.4%	29,820	3.7%
Acute Adjusted Patient Days	15,598	15,051	3.6%	14,864	4.9%	133,600	129,164	3.4%	133,397	0.2%
Total Adjusted Patient Days*	18,196	18,492	(1.6%)	17,693	2.8%	157,774	159,041	(0.8%)	160,827	(1.9%)
Acute Average Daily Census	323	290	11.4%	284	13.5%	308	281	9.6%	290	6.3%
Total Average Daily Census*	407	401	1.5%	376	8.2%	397	390	1.6%	390	1.8%
Surgeries - Total	917	1,025	(10.5%)	963	(4.8%)	8,350	8,498	(1.7%)	8,694	(4.0%)
Inpatient	521	525	(0.8%)	473	10.2%	4,604	4,431	3.9%	4,411	4.4%
Outpatient	396	499	(20.7%)	490	(19.2%)	3,746	4,067	(7.9%)	4,283	(12.5%)
Deliveries	295	279	5.7%	267	10.5%	2,644	2,652	(0.3%)	2,758	(4.1%)
ER Visits (Includes Trauma) - Total										
Inpatient	1,712	1,454	17.7%	1,464	16.9%	15,205	13,081	16.2%	12,898	17.9%
Outpatient	7,966	9,471	(15.9%)	8,341	(4.5%)	77,288	82,532	(6.4%)	78,305	(1.3%)

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Mar-25	Mar-25	Variance	Mar-24	Variance	Mar-25	Mar-25	Variance	Mar-24	Variance
Cardiac Cath RVUs	1,060	1,606	(34.0%)	1,272	(16.7%)	9,359	11,868	(21.1%)	11,382	(17.8%)
Escondido Interv. Radiology RVUs	836	1,034	(19.2%)	923	(9.4%)	8,523	8,392	1.6%	8,345	2.1%
Poway Interv. Radiology RVUs	273	295	(7.4%)	215	27.3%	2,379	2,308	3.1%	2,288	4.0%
Radiation Oncology RVUs	3,672	3,286	11.8%	2,845	29.1%	28,228	37,533	(24.8%)	28,587	(1.3%)
Infusion Therapy Hours	1,091	883	23.5%	813	34.2%	8,557	7,807	9.6%	6,721	27.3%
Imaging										
Escondido CAT Procedures	9,784	8,774	11.5%	8,284	18.1%	81,000	71,231	13.7%	71,716	13.0%
Poway CAT Procedures	2,850	2,558	11.4%	2,472	15.3%	23,700	22,382	5.9%	20,767	14.1%
Escondido MRI Procedures	573	343	67.1%	428	33.9%	4,217	3,350	25.9%	3,418	23.4%
Poway MRI Procedures	115	192	(40.0%)	152	(24.3%)	1,173	1,170	0.2%	1,251	(6.2%)
Escondido Diagnostic Rad. Procedures	7,265	7,384	(1.6%)	7,054	3.0%	63,464	62,937	0.8%	62,681	1.3%
Poway Diagnostic Rad. Procedures	2,307	2,393	(3.6%)	2,167	6.5%	20,183	20,709	(2.5%)	19,419	3.9%
*Includes The Villas at Poway										

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Mar-25	Mar-25	Variance	Mar-24	Variance	Mar-25	Mar-25	Variance	Mar-24	Variance
Key Statistics										
Acute Average LOS - Days	4.27	4.50	5.1%	4.33	(1.3%)	4.38	4.48	2.2%	4.54	(3.5%)
Acute - General	4.27	4.50	5.1%	4.25	0.5%	4.38	4.48	2.2%	4.47	(2.0%)
Average Observation Hours	25	38	35.8%	38	(35.8%)	27	38	29.4%	38	(29.4%)
Acute Case Mix - Excludes Deliveries	1.72	1.79	3.9%	1.79		1.71	1.78	3.9%	1.78	
Acute Case Mix -Medicare Only	1.71	1.87	8.6%	1.87		1.69	1.77	4.6%	1.77	
Labor Productivity by Hrs										
Days Cash on Hand						12.1				
Financial Performance										
Operating Income	(2,125,782)	1,545,815	(3,671,597)	2,054,403	(508,588)	(43,011,548)	(2,683,627)	(40,327,921)	(28,587,519)	25,903,892
Net Income	(4,363,396)	(95,725)	(4,267,671)	2,007,454	(2,103,179)	(61,281,368)	(13,966,747)	(47,314,621)	(40,513,604)	26,546,857
Oper. Expenses/Adj. Patient Days	3,850	3,799	1.3%	3,714	3.7%	3,905.21	3,915.25	(0.3%)	3,690	5.8%
EBIDA Margin-Excludes PHMG	6,469,229	9,965,815	(35.1%)	11,592,869	(44.2%)	38,280,078	75,874,574	(49.6%)	47,649,204	(19.7%)
EBIDA-Excludes PHMG	8.9%	12.9%	(31.0%)	16.1%	(44.7%)	6.2%	11.4%	(45.6%)	7.9%	(21.5%)

Note: Financial Performance excludes GO Bonds

	Actual Mar 25	Budget Mar 25	Variance Mar 25	Variance		Dollars/Adjusted Patient Day		
				Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	18,196	18,492	(296)					
Adjusted Discharges	3,706	3,403	303					
Operating Revenue								
Gross revenue	504,496,731	494,171,813	10,324,918	(7,910,170)	18,235,088	27,725.69	26,723.55	1,002.15
Deductions from revenue	(432,350,528)	(418,530,363)	(13,820,165)	6,699,383	(20,519,548)	(23,760.75)	(22,633.05)	(1,127.70)
Net patient revenue	72,146,203	75,641,450	(3,495,247)	(1,210,787)	(2,284,460)	3,964.95	4,090.50	(125.55)
Other operating revenue	743,928	1,357,165	(613,237)	(21,724)	(591,513)	40.88	73.39	(32.51)
Total net revenue	72,890,131	76,998,615	(4,108,484)	(1,232,511)	(2,875,973)	4,005.83	4,163.89	(158.06)
Operating Expenses								
Salaries, wages & contract labor	34,399,859	34,369,911	(29,948)	550,156	(580,104)	1,890.52	1,858.64	(31.88)
Benefits	7,631,965	8,008,664	376,699	128,194	248,505	419.43	433.09	13.66
Supplies	10,808,102	10,342,155	(465,947)	165,546	(631,493)	593.98	559.28	(34.71)
Prof fees & purch svcs	13,165,769	14,076,321	910,552	225,319	685,233	723.55	761.21	37.66
Depreciation & amortization	4,966,151	5,208,488	242,337	83,372	158,965	272.93	281.66	8.74
Other	4,044,068	3,447,260	(596,808)	55,180	(651,988)	222.25	186.42	(35.83)
Total expenses	75,015,914	75,452,799	436,885	1,207,767	(770,882)	4,122.66	4,080.29	(42.37)
Income from operations	(2,125,783)	1,545,816	(3,671,599)	(24,744)	(3,646,855)	(116.83)	83.59	(115.69)
Non-operating revenue (expense)								
Property tax revenues ¹	1,739,604	2,125,000	(385,396)					
Investment Income	1,636,411	881,113	755,298					
Interest Expense	(4,387,724)	(4,130,682)	(257,042)					
Non-operating depreciation & amortization	(1,478,750)	(722,370)	(756,380)					
Other non-operating revenue(expense)	252,845	205,399	47,446					
Net income(loss) ²	(4,363,397)	(95,724)	(4,267,673)					

EBIDA Margin 8.9% 12.9% **22** (4.1%)

	Actual Mar 25	Budget Mar 25	Variance Mar 25	Variance		Dollars/Adjusted Patient Day		
				Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	157,774	159,041	(1,267)					
Adjusted Discharges	30,932	29,355	1,577					
Operating Revenue								
Gross revenue	4,350,389,917	4,217,870,641	132,519,276	(33,601,663)	166,120,939	27,573.55	26,520.65	1,052.90
Deductions from revenue	(3,739,307,833)	(3,563,745,263)	(175,562,572)	28,390,574	(203,953,144)	(23,700.41)	(22,407.71)	(1,292.69)
Net patient revenue	611,082,084	654,125,378	(43,043,296)	(5,211,089)	(37,832,205)	3,873.15	4,112.94	(239.79)
Other operating revenue	8,472,661	12,040,489	(3,567,828)	(95,921)	(3,471,907)	53.70	75.71	(22.01)
Total net revenue	619,554,745	666,165,867	(46,611,124)	(5,307,010)	(41,304,112)	3,926.85	4,188.64	(261.79)
Operating Expenses								
Salaries, wages & contract labor	285,716,787	295,219,597	9,502,808	2,351,867	7,150,943	1,810.92	1,856.25	45.32
Benefits	73,702,813	78,063,769	4,360,956	621,895	3,739,061	467.14	490.84	23.70
Supplies	92,509,308	90,665,188	(1,844,120)	722,284	(2,566,404)	586.34	570.07	(16.27)
Prof fees & purch svcs	136,680,131	127,710,999	(8,969,131)	1,017,410	(9,986,542)	866.30	803.01	(63.30)
Depreciation & amortization	46,426,052	46,163,851	(262,201)	367,764	(629,965)	294.26	290.26	(3.99)
Other	27,531,202	31,026,090	3,494,888	247,169	3,247,719	174.50	195.08	20.58
Total expenses	662,566,293	668,849,494	6,283,200	5,328,389	954,812	4,199.46	4,205.52	6.05
Income from operations	(43,011,548)	(2,683,627)	(40,327,921)	21,379	(40,349,300)	(272.61)	(16.87)	(267.84)
Non-operating revenue (expense)								
Property tax revenues ¹	18,354,208	19,125,000	(770,792)					
Investment Income	11,614,174	9,707,014	1,907,160					
Interest Expense	(39,828,265)	(37,176,137)	(2,652,128)					
Non-operating depreciation & amortization	(13,307,130)	(6,501,332)	(6,805,798)					
Other non-operating revenue(expense)	4,897,193	3,562,335	1,334,858					
Net income(loss) ²	(61,281,368)	(13,966,747)	(47,314,621)					

EBIDA Margin 6.2% 11.4% 23 (5.2%)

¹ Property Tax Revenue excludes C.O. Bonds Levy

	Actual Mar 25	Prior Year Mar 24	Variance Mar 25	Variance		Dollars/Adjusted Patient Day		
				Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	157,774	159,041	(1,267)					
Adjusted Discharges	30,932	29,355	1,577					
Operating Revenue								
Gross revenue	4,350,389,917	4,005,083,495	345,306,422	(31,906,494)	377,212,916	27,573.55	25,182.71	2,390.84
Deductions from revenue	(3,739,307,833)	(3,422,274,730)	(317,033,105)	27,263,549	(344,296,652)	(23,700.41)	(21,518.19)	(2,182.21)
Net patient revenue	611,082,084	582,808,765	28,273,317	(4,642,946)	32,916,265	3,873.15	3,664.52	208.63
Other operating revenue	8,472,661	23,009,144	(14,536,483)	(183,302)	(14,353,181)	53.70	144.67	(90.97)
Total net revenue	619,554,745	605,817,909	13,736,834	(4,826,248)	18,563,084	3,926.85	3,809.19	117.66
Operating Expenses								
Salaries, wages & contract labor	285,716,787	293,174,494	7,457,705	2,335,574	5,122,133	1,810.92	1,843.39	32.46
Benefits	73,702,813	70,200,327	(3,502,486)	559,251	(4,061,737)	467.14	441.40	(25.74)
Supplies	92,509,308	88,223,575	(4,285,733)	702,833	(4,988,566)	586.34	554.72	(31.62)
Prof fees & purch svcs	136,680,131	113,277,619	(23,402,511)	902,426	(24,304,938)	866.30	712.25	(154.05)
Depreciation & amortization	46,426,052	40,973,967	(5,452,085)	326,419	(5,778,504)	294.26	257.63	(36.63)
Other	27,531,202	28,555,447	1,024,245	227,487	796,758	174.50	179.55	5.05
Total expenses	662,566,293	634,405,429	(28,160,865)	5,053,990	(33,214,854)	4,199.46	3,988.94	(210.52)
Income from operations	(43,011,548)	(28,587,520)	(14,424,028)	227,742	(14,651,770)	(272.61)	(179.75)	328.18
Non-operating revenue (expense)								
Property tax revenues ¹	18,354,208	17,602,614	751,594					
Investment Income	11,614,174	17,650,603	(6,036,429)					
Interest Expense	(39,828,265)	(37,356,830)	(2,471,435)					
Non-operating depreciation & amortization	(13,307,130)	(9,832,011)	(3,475,119)					
Other non-operating revenue(expense)	4,897,193	9,538	4,887,655					
Net income(loss) ²	(61,281,368)	(40,513,606)	(20,767,762)					

EBIDA Margin 6.2% 7.9% **24** (1.7%)

¹ Property Tax Revenue excludes C.O. Bonds Levy

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Fiscal Year 2025
Adjusted Patient Days	16,533	17,241	17,034	17,052	16,530	17,801	19,261	18,126	18,196	157,774
Adjusted Discharges	3,374	3,358	3,348	3,424	3,237	3,575	3,507	3,403	3,706	30,932
Operating Revenue										
Gross revenue	485,400,623	481,303,719	467,378,630	474,558,980	460,334,838	489,498,380	503,514,870	483,903,146	504,496,732	4,350,389,917
Deductions from revenue	415,757,901	415,886,086	403,359,082	402,798,738	398,689,552	418,393,206	432,589,279	419,483,463	432,350,529	3,739,307,835
Net patient revenue	69,642,722	65,417,634	64,019,548	71,760,241	61,645,286	71,105,174	70,925,591	64,419,683	72,146,203	611,082,082
Other operating revenue	920,937	782,991	1,167,339	1,079,195	1,127,177	717,219	930,518	1,003,357	743,928	8,573,574
Total net revenue	70,563,659	66,200,624	65,186,887	72,839,436	62,772,463	71,822,393	71,856,109	65,423,041	72,890,131	619,655,656
Operating Expenses										
Salaries, wages & contract labor	32,166,595	32,697,012	31,039,334	31,126,296	30,170,078	32,586,392	31,767,111	29,764,112	34,399,859	285,716,788
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	7,631,965	73,702,812
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	10,808,102	92,509,308
Prof fees & purch svcs	15,022,459	14,994,548	15,811,542	17,142,092	16,662,021	15,745,770	14,003,981	14,131,948	13,165,769	136,680,130
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	4,966,151	46,426,054
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	4,044,068	27,774,647
Total expenses	72,564,973	75,390,027	73,297,622	76,167,190	71,225,231	77,462,822	74,179,014	67,263,503	75,015,913	662,809,739
Income from operations	(2,001,314)	(9,189,403)	(8,110,735)	(3,327,754)	(8,452,768)	(5,640,429)	(2,322,906)	(1,840,463)	(2,125,782)	(43,154,083)
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	1,739,604	18,354,208
Investment Income	1,264,997	1,347,561	1,207,216	1,237,202	990,738	1,332,953	1,484,615	1,112,481	1,636,411	11,614,175
Interest Expense	(4,431,369)	(4,424,943)	(4,426,719)	(4,449,375)	(4,418,116)	(4,515,644)	(4,393,833)	(4,380,540)	(4,387,724)	(39,828,263)
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)	(1,478,750)	(13,307,129)
Other non-operating revenue(expense)	595,819	582,346	639,696	(581,209)	673,917	(52,280)	2,225,696	560,363	252,845	4,897,193
Net income(loss) ²	(3,923,996)	(11,038,188)	(10,044,292)	(6,474,885)	(10,559,275)	(8,229,853)	(2,360,177)	(4,287,305)	(4,363,396)	(61,423,898)
EBIDA Margin	9.9%	-0.3%	1.3%	6.7%	0.4%	5.3%	12.0%	10.2%	8.9%	6.2%

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
	Dec-24	Jan-25	Feb-25	Mar-25	Jun-24
Current Assets					
Cash and cash equivalents	26,360,524	15,642,922	3,778,125	6,004,778	17,359,239
Investments	34,765,900	32,039,319	32,106,194	21,158,125	54,298,096
Board Designated	-	-	-	-	7,082,739
Total cash, cash equivalents & investments	61,126,423	47,682,241	35,884,319	27,162,903	78,740,073
Patient Accounts Receivable	552,113,099	537,677,625	530,520,957	545,172,225	475,079,653
Allowance on accounts	(398,985,021)	(380,387,164)	(373,895,989)	(384,065,405)	(327,700,367)
Net accounts receivable	153,128,078	157,290,461	156,624,969	161,106,820	147,379,287
Inventories	12,883,827	12,948,641	12,909,464	12,797,227	12,512,288
Prepaid expenses	20,918,729	18,841,204	17,240,243	15,904,150	9,872,204
Est. third party settlements	100,436,170	91,525,345	97,335,093	104,370,756	87,806,947
Other	73,208,682	72,523,479	74,352,101	77,782,246	71,689,100
Total current assets	421,701,910	400,811,371	394,346,189	399,124,103	407,999,899
Non-Current Assets					
Restricted assets	92,322,093	92,626,084	92,929,848	93,215,845	106,528,977
Restricted other	357,237	357,317	357,317	357,396	356,833
Total restricted assets	92,679,330	92,983,401	93,287,165	93,573,240	106,885,809
Property, plant & equipment	1,555,311,137	1,555,380,266	1,555,435,345	1,555,425,207	1,556,364,751
Accumulated depreciation	(665,750,415)	(669,270,190)	(672,797,656)	(676,321,198)	(644,358,038)
Construction in process	67,460,106	68,788,117	69,395,353	70,379,627	57,513,297
Net property, plant & equipment	957,020,827	954,898,192	952,033,041	949,483,636	969,520,010
Right of Use Assets	328,260,640	325,346,653	322,316,604	319,395,245	334,609,278
Investment related companies	2,574,846	2,907,329	2,911,516	3,768,054	6,754,766
Prepaid debt insurance costs	7,142,139	7,116,165	7,090,192	7,064,218	7,298,149
Other non-current assets	68,744,996	68,238,376	67,980,619	67,462,779	78,831,767
Total non-current assets	1,456,422,778	1,451,490,117	1,445,619,136	1,440,747,173	1,503,899,779
Total assets	1,878,124,687	1,852,301,488	1,839,965,325	1,839,871,276	1,911,899,678
Deferred outflow of resources-loss on refunding of debt	43,210,229	42,992,314	42,774,400	42,556,485	44,517,717
Total assets and deferred outflow of resources	1,921,334,916	1,895,293,802	1,882,739,725	1,882,427,761	1,956,417,396

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Dec-24	Jan-25	Feb-25	Mar-25	Jun-24
Current Liabilities					
Accounts payable	122,090,155	118,811,183	111,781,823	113,762,981	67,475,287
Accrued payroll	43,390,390	28,565,370	29,561,067	30,985,657	38,178,331
Accrued PTO	22,628,427	22,527,814	22,651,682	22,880,548	24,267,836
Accrued interest payable	8,973,015	11,890,135	14,680,683	16,289,392	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	21,398,808	21,316,854	21,287,484	21,293,255	20,245,743
Est. third party settlements	17,512,022	16,998,461	16,238,521	15,227,643	16,933,480
Other current liabilities	126,663,460	123,495,406	122,100,347	126,694,795	128,832,172
Total current liabilities	371,581,276	352,530,224	347,226,607	356,059,270	313,367,918
Long Term Liabilities					
Other LT liabilities	27,576,075	27,554,170	27,532,265	27,510,361	27,708,572
Bonds & contracts payable	714,536,038	714,313,332	714,090,625	713,867,919	724,797,898
Lease liabilities	338,627,542	337,184,037	334,424,640	332,771,496	342,095,335
Total long term liabilities	1,080,739,655	1,079,051,539	1,076,047,531	1,074,149,775	1,094,601,805
Total liabilities	1,452,320,931	1,431,581,763	1,423,274,138	1,430,209,045	1,407,969,723
Deferred inflow of resources- unearned revenue	6,850,577	6,800,059	6,749,541	6,699,024	6,653,683
Total liabilities and deferred inflow of resources	1,459,171,508	1,438,381,822	1,430,023,680	1,436,908,069	1,414,623,405
Net Position					
Unrestricted	461,806,170	456,554,663	452,358,728	445,162,297	541,437,159
Restricted for other purpose	357,237	357,317	357,317	357,396	356,833
Total net position	462,163,407	456,911,980	452,716,045	445,519,692	541,793,991
Total liabilities, deferred inflow of resources and net position	1,921,334,915	1,895,293,802	1,882,739,725	1,882,427,761	1,956,417,396

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

Assets	Current Fiscal Year				Prior Fiscal Year
	Dec-24	Jan-25	Feb-25	Mar-25	Jun-24
Current Assets					
Cash and cash equivalents	26,360,524	15,642,922	3,778,125	6,004,778	17,359,239
Investments	34,765,900	32,039,319	32,106,194	21,158,125	54,298,096
Board Designated	-	-	-	-	7,082,739
Total cash, cash equivalents & investments	61,126,423	47,682,241	35,884,319	27,162,903	78,740,073
Patient Accounts Receivable	552,113,099	537,677,625	530,520,957	545,172,225	475,079,653
Allowance on accounts	(398,985,021)	(380,387,164)	(373,895,989)	(384,065,405)	(327,700,367)
Net accounts receivable	153,128,078	157,290,461	156,624,969	161,106,820	147,379,287
Inventories	12,883,827	12,948,641	12,909,464	12,797,227	12,512,288
Prepaid expenses	20,918,729	18,841,204	17,240,243	15,904,150	9,872,204
Est. third party settlements	100,436,170	91,525,345	97,335,093	104,370,756	87,806,947
Other	83,621,439	78,595,640	82,132,530	87,425,434	71,978,298
Total current assets	432,114,666	406,883,532	402,126,618	408,767,290	408,289,097
Non-Current Assets					
Restricted assets	148,691,141	158,095,958	148,149,953	149,669,316	176,672,759
Restricted other	357,237	357,317	357,317	357,396	356,833
Total restricted assets	149,048,379	158,453,275	148,507,271	150,026,711	177,029,591
Property, plant & equipment	1,555,311,137	1,555,380,266	1,555,435,345	1,555,425,207	1,556,364,751
Accumulated depreciation	(665,750,415)	(669,270,190)	(672,797,656)	(676,321,198)	(644,358,038)
Construction in process	67,460,106	68,788,117	69,395,353	70,379,627	57,513,297
Net property, plant & equipment	957,020,827	954,898,192	952,033,041	949,483,636	969,520,010
Right of Use Assets	328,260,640	325,346,653	322,316,604	319,395,245	334,609,278
Investment related companies	2,574,846	2,907,329	2,911,516	3,768,054	6,754,766
Prepaid debt insurance and other costs	8,369,688	8,330,802	8,291,916	8,253,030	8,603,170
Other non-current assets	68,744,996	68,238,376	67,980,619	67,462,779	78,831,767
Total non-current assets	1,514,019,375	1,518,174,627	1,502,040,967	1,498,389,456	1,575,348,583
Total assets	1,946,134,041	1,925,058,159	1,904,167,584	1,907,156,746	1,983,637,680
Deferred outflow of resources-loss on refunding of debt	45,692,832	45,457,056	45,221,281	44,985,506	47,107,482
Total assets and deferred outflow of resources	1,991,826,873	1,970,515,216	1,949,388,867	1,952,142,253	2,030,745,163

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Dec-24	Jan-25	Feb-25	Mar-25	Jun-24
Current Liabilities					
Accounts payable	122,090,655	118,811,183	111,781,823	113,763,481	67,477,787
Accrued payroll	43,390,390	28,565,370	29,561,067	30,985,657	38,178,331
Accrued PTO	22,628,427	22,527,814	22,651,682	22,880,548	24,267,836
Accrued interest payable	23,387,685	29,187,740	23,182,940	29,144,315	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	21,398,808	21,316,854	21,287,484	21,293,255	20,245,743
Est. third party settlements	17,512,022	16,998,461	16,238,521	15,227,643	16,933,480
Other current liabilities	57,265,171	54,696,680	53,603,989	58,803,123	55,689,956
Total current liabilities	326,754,915	311,185,859	297,389,263	311,179,776	269,685,423
Long Term Liabilities					
Other LT liabilities	27,576,075	27,554,170	27,532,265	27,510,361	27,708,572
Bonds & contracts payable	1,343,058,285	1,342,922,270	1,342,786,254	1,341,104,673	1,362,956,758
Lease liabilities	338,627,542	337,184,037	334,424,640	332,771,496	342,095,335
Total long term liabilities	1,709,261,902	1,707,660,477	1,704,743,159	1,701,386,530	1,732,760,665
Total liabilities	2,036,016,817	2,018,846,336	2,002,132,422	2,012,566,306	2,002,446,088
Deferred inflow of resources-unearned revenue	76,248,867	75,598,786	75,245,901	74,590,697	79,795,899
Total liabilities and deferred inflow of resources	2,112,265,684	2,094,445,122	2,077,378,324	2,087,157,003	2,082,241,987
Net Position					
Unrestricted	(120,796,048)	(124,287,223)	(128,346,774)	(135,372,146)	(51,853,656)
Restricted for other purpose	357,237	357,317	357,317	357,396	356,833
Total net position	(120,438,811)	(123,929,906)	(127,989,457)	(135,014,750)	(51,496,824)
Total liabilities, deferred inflow of resources and net position	1,991,826,873	1,970,515,216	1,949,388,867	1,952,142,253	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	454,654,182	69,333,019	4,238,391	(59,637,529)	468,588,063
Capital assets - net	949,483,636	6,569,057	-	-	956,052,693
Right of use assets - net	319,395,245	30,512,078	-	(20,289,387)	329,617,936
Non-current assets	183,623,684	2,405,310	-	-	186,028,993
Total assets	1,907,156,747	108,819,464	4,238,391	(79,926,916)	1,940,287,685
Deferred outflow of resources	44,985,506	-	-	-	44,985,506
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,952,142,253	108,819,464	4,238,391	(79,926,916)	1,985,273,191
LIABILITIES AND NET POSITION					
Current liabilities	281,749,829	103,401,167	174,232	(63,845,870.42)	321,479,357
Long-term liabilities	1,376,094,790	-	-	-	1,376,094,790
Right of use lease liabilities	332,771,496	24,338,429	-	(17,116,778)	339,993,147
Total liabilities	1,990,616,115	127,739,596	174,232	(80,962,649)	2,037,567,294
Deferred inflow of resources - deferred revenue	96,540,886	-	-	-	96,540,886
Total liabilities and deferred inflow of resources	2,087,157,001	127,739,596	174,232	(80,962,649)	2,134,108,180
Invested in capital assets - net of related debt	(313,829,830)	5,463,380	-	1,035,732	(307,330,717)
Restricted	35,641,213	-	-	-	35,641,213
Unrestricted	143,173,869	(24,383,512)	4,064,160	-	122,854,515
Total net position	(135,014,748)	(18,920,132)	4,064,160	1,035,732	(148,834,989)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,952,142,253	108,819,464	4,238,391	(79,926,916)	1,985,273,191

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

	Palomar Health	PHMG	PAC	Elimination	YTD Consolidated
OPERATING REVENUE:					
Net patient service revenue	552,871,841	61,911,431	-	-	614,783,272
Shared risk revenue	58,210,240	25,262,584	-	(1,531,133)	81,941,691
Other revenue	8,472,661	5,545,460	223,089	(391,462)	13,849,748
PH Program revenue	-	23,448,549	-	(23,448,549)	-
Total operating revenue	619,554,742	116,168,024	223,089	(25,371,144)	710,574,711
OPERATING EXPENSES	616,140,241	155,840,887	845,523	(30,536,224)	742,290,426
DEPRECIATION AND AMORTIZATION	46,426,054	3,658,614	-	-	50,084,668
Total operating expenses	662,566,295	159,499,500	845,523	(30,536,224)	792,375,094
INCOME (LOSS) FROM OPERATIONS	(43,011,553)	(43,331,476)	(622,434)	5,165,080	(81,800,383)
NON-OPERATING INCOME (EXPENSE):					
Investment income	13,354,836	(765)	-	-	13,354,071
Interest expense	(66,756,005)	(173,482)	-	141,357	(66,788,131)
Property tax revenue	56,295,661	-	-	-	56,295,661
Other - net	(7,777,538)	1,246,504	-	(3,969,175)	(10,500,209)
Total non-operating expense - net	(4,883,046)	1,072,257	-	(3,827,819)	(7,638,608)
Net income (loss) before capital contrib	(47,894,599)	(42,259,220)	(622,434)	1,337,261	(89,438,991)
CAPITAL CONTRIBUTIONS					-
CHANGE IN NET POSITION	(47,894,599)	(42,259,220)	(622,434)	1,337,261	(89,438,991)
Interfund - PHMG	(35,623,328)	32,438,800	-	-	(3,184,528)
NET POSITION - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(301,529)	(56,211,468)
NET POSITION - Year to date	(135,014,750)	(18,920,130)	4,064,160	1,035,732	(148,834,987)

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

Assets	
Current Assets	
Cash and cash equivalents	\$ 6,004,778
Investments	21,158,125
Patient accounts receivable - net of allowances for uncollectible accounts of \$114,832	161,106,820
Other receivables	87,425,434
Supplies and inventories	12,797,227
Prepaid expenses and other	15,904,150
Estimated third-party payor settlements receivable	91,870,756
Total current assets	454,654,181
Restricted Noncurrent Cash and Investments	
Held by trustee under indenture agreements	90,931,798
Held by trustee under general obligation bonds indenture	56,453,471
Held in escrow for street improvements	2,284,047
Restricted by donor and other	357,396
Total restricted noncurrent cash and investments	91,639,821
Capital Assets - net	949,483,636
Right of Use Assets - Net	319,395,245
Other Assets	
Prepaid debt insurance costs	8,253,030
Investment in and amounts due from affiliated entities	3,768,054
Other	67,462,780
Total other assets	79,483,864
Total assets	1,907,156,747
Deferred outflow of resources - loss on refunding of debt	44,985,506
Total Assets and Deferred Outflow of Resources	\$ 1,952,142,253

Liabilities	
Current Liabilities	
Accounts payable	113,763,480
Accrued compensation and related liabilities	46,386,447
Current portion of general obligation bonds	10,156,756
Current portion of long-term debt	8,925,000
Current portion of lease liabilities	21,293,255
Other accrued liabilities	36,852,933
Accrued interest payable	27,506,242
Accrued interest payable-ROU's	1,638,073
Total current liabilities	281,749,829
Long-term debt - general obligation bonds - net of current portion	627,236,754
Long-term debt - net of current portion	748,858,036
Long-term debt - Lease liability - net of current portion	332,771,496
Total liabilities	1,990,616,115
Deferred inflow of resources - unearned revenue	96,540,886
Total liabilities and deferred inflow of resources	2,087,157,001
Net Position	
Net investment in capital assets	(313,829,830)
Restricted, expendable for:	
Repayment of debt	32,999,770
Capital acquisitions	2,284,047
Other purposes	357,396
Unrestricted	143,173,869
Total net position	(135,014,748)
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 1,952,142,253

	March 31, 2025
	YTD
CASH FLOWS FROM OPERATING ACTIVITIES:	
Income (Loss) from operations	(43,011,545)
Adjustments to reconcile change in net assets to net cash provided from operating activities:	
Depreciation Expense	46,426,052
Provision for bad debts	74,740,520
Changes in operating assets and liabilities:	
Patient accounts receivable	(88,468,054)
Property Tax and other receivables	1,088,230
Inventories	(284,939)
Prepaid expenses and other current assets	1,307,116
Accounts payable	52,307,524
Accrued compensation	(8,579,963)
Estimated settlement amounts due third-party payors	(22,277,988)
Other liabilities	4,870,306
Net cash provided from (used by) operating activities	18,117,259
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net (purchases) sales of investments	67,225,590
Income (Loss) on investments	13,377,802
Investment in affiliates	(30,502,101)
Net cash provided from (used by) investing activities	50,101,291
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Receipt of G.O. Bond Taxes	28,587,465
Receipt of District Taxes	15,252,167
Net cash provided from non-capital financing activities	43,839,631
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of property plant and equipment	(21,460,133)
Redevelopment Trust Fund Distributions	1,454,676
G.O. Bond Interest paid	(34,538,335)
Revenue Bond Interest paid	(17,794,835)
ROU Interest paid	(12,605,276)
Proceeds (Payments) of Long Term Debt	(18,011,171)
Payments of Long Term Lease Liabilities	(20,457,568)
Net cash provided from (used by) capital and related financing activities	(123,412,643)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,354,462)
CASH AND CASH EQUIVALENTS - Beginning of period	17,359,239
CASH AND CASH EQUIVALENTS - End of period	6,004,777

	March 31, 2025
CASH FROM OPERATING ACTIVITIES	
Receipts from:	
Patients, insurers, and other third-party payers	674,676,723
Other sources	(12,254,311)
Payments to:	
Employees	(494,502,241)
Suppliers	(193,556,986)
Net cash provided by operating activities	(25,636,814)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipt of district taxes	18,354,208
Other	
Net cash provided by noncapital financing activities	18,354,208
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(13,256,281)
Interest payments on long-term debt	(53,812,207)
Interest payments on lease liabilities	(13,153,364)
Proceeds from issuance of long-term debt	-
Defeasance of debt	-
Interest rate swap payment	-
Principal repayment on long-term debt	(18,128,377)
Principal repayment on lease obligations	(17,316,911)
Deferred financing costs	-
Proceeds on sale of capital assets	(47,766)
Receipt of property taxes restricted for debt service on general obligation bonds	37,941,453
Other	(8,210,747)
Net cash used in capital and related financing activities	(85,984,200)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(74,621,678)
Proceeds from sale of investments	148,425,945
Interest received on investments and notes receivable	7,561,316
Other	-
Net cash provided by (used in) investing activities	81,365,583
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,901,224)
CASH AND CASH EQUIVALENTS - beginning of year	23,865,333
CASH AND CASH EQUIVALENTS - end of year	\$ 11,964,109

Days Cash on Hand Ratio Covenant		March 31, 2025 Consolidated
Cash and Cash Equivalents		33,122,234
Divide Total by Average Adjusted Expenses per Day		
Total Expenses		792,375,095
Less: Depreciation		50,084,668
Adjusted Expenses		742,290,427
Number of days in period		274
Average Adjusted Expenses per Day		2,709,089
Days Cash on Hand		12.2
REQUIREMENT		65
	NOT ACHIEVED	

Debt Service Coverage Ratio Covenant		Consolidated
Excess of revenues over expenses		(102,825,760)
REVERSE:		
Depreciation and Amortization		50,084,668
Depreciation and Amortization-NonOp		13,307,129
Interest Expense		39,860,387
Income Available for Debt Service		426,424
Divided by:		
Maximum Annual Debt Service (excludes GO Bonds)		42,217,769
Debt Service Coverage Ratio		0.01

NOTE: Pre-audit results shown

*Palomar Health
Interest Expense
Consolidated
FY 2025*

<i>Certificates of Participation & R \$</i>	<i>26,704,729</i>
<i>General Obligation Bonds</i>	<i>26,927,742</i>
<i>Interest on ROUs</i>	<i>12,137,423</i>
<i>Interest Other</i>	<i>986,111</i>
<i>PHMG</i>	<i>32,125</i>
<i>Total</i>	<i>\$ 66,788,130</i>

	2024			2025		
Denial Dept.	Oct	Nov	Dec	Jan	Feb	Mar
Access	53.0%	42.6%	44.4%	38.7%	31.8%	30.8%
Billing	24.0%	15.4%	18.2%	18.5%	23.8%	19.8%
Case Management	26.1%	19.0%	16.3%	15.9%	16.9%	19.4%
Other/Unknown	-14.1%	12.5%	12.8%	17.0%	16.9%	22.1%
PFS	8.7%	8.2%	7.3%	6.5%	9.3%	7.2%
Rev Cycle Process	2.3%	2.3%	1.0%	3.4%	1.3%	0.7%

Denial Dept.	Denial Opportunity	Next Steps
Patient Access	<ul style="list-style-type: none"> • Authorization / Pre-Cert and/or timely notification of IP admission • Incorrect identification of Patient Insurance/IPLAN 	<ul style="list-style-type: none"> • Experian Patient Access tool training • Automate Insurance Discovery • Establish Minimum Data Set at time of Scheduling
Billing	<ul style="list-style-type: none"> • Attachment or Other Documentation is required to adjudicate 	<ul style="list-style-type: none"> • Standard payor denial for Neuro, Surgical, Critical, and Cardiovascular Acute claims
Case Management	<ul style="list-style-type: none"> • Level Of Care, IP Authorization, Medical Necessity 	<ul style="list-style-type: none"> • Appeals reviewed with Case Management on recurring basis
Other/Unknown	<ul style="list-style-type: none"> • Claim Lacks Information to Process Claim 	<ul style="list-style-type: none"> • Increased denials resulting from rebills/appeals • Expect to see elevated until reduction in overall denials

	2024			2025		
	Oct	Nov	Dec	Jan	Feb	Mar
Inpatient	54%	63%	70%	64%	73%	74%
Authorization/PreCert or Notification absent	19%	13%	13%	17%	12%	13%
Payer - Transferred Claim to Proper Payer	19%	18%	19%	9%	5%	7%
An Attachment or Other Documentation is Required to Adjudicate	19%	2%	4%	12%	13%	13%
Services are Not Covered due to Medical Necessity	20%	14%	8%	7%	7%	8%
Emergency	22%	20%	16%	18%	13%	13%
Claim lacks Information to Process Claim	30%	20%	19%	20%	20%	20%
Payer - Transferred Claim to Proper Payer	18%	19%	19%	19%	12%	14%
Coordination of Benefits May have Other Coverage	8%	3%	11%	8%	12%	8%
Recurring	8%	6%	7%	9%	5%	6%
Coordination of Benefits May have Other Coverage	28%	28%	49%	59%	52%	62%
Authorization/PreCert or Notification absent	16%	14%	13%	7%	5%	20%
Claim lacks Information to Process Claim	14%	5%	19%	6%	4%	13%
Outpatient	7%	4%	3%	4%	5%	4%
Claim lacks Information to Process Claim	23%	16%	21%	20%	14%	19%
Authorization/PreCert or Notification absent	15%	13%	12%	8%	16%	24%
Coordination of Benefits May have Other Coverage	5%	23%	13%	15%	19%	11%
Outpatient w/Obs Srvcs	4%	4%	2%	4%	2%	1%
Claim lacks Information to Process Claim	29%	22%	17%	8%	19%	19%
Payer - Transferred Claim to Proper Payer	7%	12%	23%	10%	6%	10%
Procedure Code was invalid on the date of service	1%	1%	0%	37%	1%	1%
Outpatient In Bed	4%	3%	2%	1%	2%	1%