

Financial Performance

October 2020

ANTELOPE VALLEY
HOSPITAL

A facility of Antelope Valley Healthcare District



Statement of Income – October (in thousands)

October 2020	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 35,267	\$ 34,846	\$ 31,881	\$ 421	\$ 3,386
Supplemental Funds/Settlements	2,185	2,720	2,044	(535)	140
Other Operating Revenue	740	1,279	1,097	(539)	(357)
Total Operating Revenues	\$ 38,192	\$ 38,845	\$ 35,023	\$ (653)	\$ 3,169
Expenses					
Productive Salaries	\$ 14,778	\$ 14,345	\$ 13,835	\$ 433	\$ 943
Non-Productive Salaries	2,429	2,125	2,380	304	49
Registry/Contract Labor	1,311	839	972	472	339
Benefits	5,695	5,661	5,525	34	170
Total Supplies	6,149	6,090	6,133	59	16
Purchased Svcs	2,940	2,472	2,687	468	254
Other	5,151	4,919	4,700	232	451
Total Operating Expenses	\$ 38,454	\$ 36,451	\$ 36,232	\$ 2,003	\$ 2,222
EBIDA	\$ (262)	\$ 2,394	\$ (1,209)	\$ (2,656)	\$ 947
<i>EBIDA Margin</i>	<i>-0.7%</i>	<i>6.2%</i>	<i>-3.5%</i>		
Depreciation and Amortization	1,618	1,530	1,657	88	(39)
Interest Expense	531	531	522	(1)	9
Operating Income (loss)	\$ (2,410)	\$ 333	\$ (3,388)	\$ (2,743)	\$ 978
Investment Income (loss)	173	679	398	(506)	(225)
Capital Contribution	-	112	-	(112)	-
NET INCOME (LOSS)	\$ (2,237)	\$ 1,124	\$ (2,990)	\$ (3,362)	\$ 753
<i>Net Profit (loss)Margin</i>	<i>-5.9%</i>	<i>2.9%</i>	<i>-8.5%</i>		
EBIDA w/o Supplemental and IGT	\$ (2,156)	\$ (69)	\$ (2,918)	\$ (2,087)	\$ 762



EBIDA w/o Supplemental and IGT

Statement of Income – Year to Date (in thousands)

October 2020 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Revenues</u>					
Net Patient Revenue	\$ 136,835	\$ 138,637	\$ 130,412	\$ (1,802)	\$ 6,424
Supplemental Funds/Settlements	18,786	10,879	8,241	7,907	10,544
Other Operating Revenue	3,522	5,116	4,592	(1,594)	(1,070)
Total Operating Revenues	\$ 159,143	\$ 154,633	\$ 143,245	\$ 4,511	\$ 15,898
<u>Expenses</u>					
Productive Salaries	\$ 59,084	\$ 56,980	\$ 54,494	\$ 2,105	\$ 4,590
Non-Productive Salaries	10,055	8,443	9,420	1,612	636
Registry/Contract Labor	4,520	3,354	4,124	1,166	395
Benefits	21,863	22,519	20,437	(656)	1,426
Total Supplies	24,199	24,206	22,728	(7)	1,471
Purchased Svcs	11,119	9,917	9,966	1,202	1,153
Other	20,056	19,806	18,847	251	1,209
Total Operating Expenses	\$ 150,897	\$ 145,225	\$ 140,016	\$ 5,672	\$ 10,881
<u>EBIDA</u>	\$ 8,246	\$ 9,407	\$ 3,229	\$ (1,161)	\$ 5,018
<i>EBIDA Margin</i>	5.2%	6.1%	2.3%		
Depreciation and Amortization	6,345	6,140	6,617	205	(272)
Interest Expense	2,138	2,109	2,111	30	28
<u>Operating Income (loss)</u>	\$ (237)	\$ 1,159	\$ (5,499)	\$ (1,396)	\$ 5,261
Investment Income (loss)	1,098	2,697	1,738	(1,600)	(640)
Capital Contribution	-	448	1,289	(448)	(1,289)
<u>NET INCOME (LOSS)</u>	\$ 860	\$ 4,304	\$ (2,472)	\$ (3,444)	\$ 3,333
<i>Net Profit (loss) Margin</i>	0.5%	2.8%	-1.7%		
<u>EBIDA w/o Supplemental and IGT</u>	\$ (9,465)	\$ (456)	\$ (3,672)	\$ (9,009)	\$ (5,793)



Ratios and Debt Covenant Requirements

**October 2020
YTD**

Actual

Last Year

**Last Year
Variance**

Working Capital Indicators

Net Days in Accounts Receivable - 3 month lookback	52.3	54.3	(2.0)
Working Capital (in thousands)	\$ 188,885	\$ 183,210	\$ 5,675
Current Ratio	2.4	3.0	(0.6)
Inventory Turnover	2.9	3.3	(0.4)

Operating Cash

Operating Liquid Cash (in thousands)	\$ 101,615	\$ 81,179	\$ 20,436
Total Cash (in thousands)	\$ 265,977	\$ 218,531	\$ 47,446
Operating Liquid Cash and Mkt Securities as % of Debt	182.5%	144.8%	37.7%
Debt To Capitalization	45.8%	46.3%	0.5%
Average Age of Plant (in years)	15.6	14.6	0.9

Bond Covenant Requirements

Days Cash on Hand

196.5

Requirement

55.0

162.1

34.4



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Key Financial Ratios

October 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	-5.9%	2.9%	-8.5%	-8.8%	2.7%
Operating Income (Loss) Margin %	-6.3%	0.9%	-9.7%	-7.2%	3.4%
EBIDA (Loss) Margin %	-0.7%	6.2%	-3.5%	-6.8%	2.8%
Outpatient Revenue %	33.0%	35.3%	36.5%	-2.4%	-3.5%
Realization Rate on Gross Charges	21.7%	21.0%	20.0%	0.6%	1.7%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 34,652	\$ 34,764	\$ 36,118	\$(111)	\$(1,465)
Cash Collections/Net Patient Revenue	98.3%	99.8%	113.3%	-1.5%	-15.0%

October 2020

YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	0.5%	2.8%	-1.7%	-2.2%	2.3%
Operating Income (Loss) Margin %	-0.1%	0.7%	-3.8%	-0.9%	3.7%
EBIDA (Loss) Margin %	5.2%	6.1%	2.3%	-0.9%	2.9%
Outpatient Revenue %	33.5%	35.5%	37.0%	-2.0%	-3.5%
Realization Rate on Gross Charges	21.5%	21.0%	20.8%	0.5%	0.8%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 130,595	\$ 131,379	\$ 129,721	\$(784)	874
Cash Collections/Net Patient Revenue	95.4%	94.8%	99.5%	0.7%	-4.0%



Volumes – October

October 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	1,677	1,735	1,723	(58)	(46)
Adjusted Discharges	2,501	2,730	2,712	(229)	(211)
Acute Patient Days	6,921	7,153	6,848	(232)	73
Adjusted Patient Days	10,323	11,241	10,777	(918)	(454)
Observations (as Patient Days)	280	369	327	(89)	(47)
Average Daily Census	223	231	221	(8)	2
Adjusted Occupied Bed	333	363	348	(30)	(15)
General Acute LOS	4.13	4.12	3.97	0.00	0.15
General Acute CMI	1.50	1.37	1.30	0.13	0.20
Medicare Acute LOS	4.27	5.09	4.67	(0.82)	(0.40)
AVH GM LOS	3.35	3.73	3.75	(0.38)	(0.40)
CMS GM LOS	4.19	4.00	3.75	0.19	0.44
Medicare CMI	1.97	1.94	1.80	0.03	0.17



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Volumes – October (continued)

October 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	360	373	405	(13)	(45)
I/P Surgeries-WIP	116	133	136	(17)	(20)
Trauma Cases	125	118	115	7	10
E/R Visits	9,369	11,112	10,736	(1,743)	(1,367)
E/R Admits	1,162	1,175	1,162	(13)	0
E/R Conversion to I/P %	12.4%	10.6%	10.8%	1.8%	1.6%
E/R Admits to Total Admits %	69.3%	67.7%	67.4%	1.6%	1.8%
I/P Surgeries	314	322	301	(8)	13
O/P Surgeries	324	359	376	(35)	(52)
Total Surgeries	638	681	677	(43)	(39)



Volumes – Year to Date

**October 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	6,389	6,884	6,677	(495)	(288)
Adjusted Discharges	9,603	10,832	10,601	(1,229)	(998)
Acute Patient Days	27,886	28,383	26,244	(497)	1,642
Adjusted Patient Days	41,933	44,602	41,664	(2,669)	269
Observations (as Patient Days)	1,185	1,476	1,352	(291)	(167)
Average Daily Census	227	231	213	(4)	14
Adjusted Occupied Bed	341	363	339	(22)	2
General Acute LOS	4.36	4.12	3.93	0.24	0.43
General Acute CMI	1.45	1.37	1.31	0.08	0.14
Medicare Acute LOS	5.04	5.09	4.91	(0.05)	0.13
AVH GM LOS	3.65	3.73	3.61	(0.08)	0.04
CMS GM LOS	4.19	4.00	3.83	0.19	0.36
Medicare CMI	1.96	1.94	1.85	0.02	0.11



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Volumes – Year to Date (continued)

**October 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	1,419	1,480	1,544	(61)	(125)
I/P Surgeries-WIP	467	526	535	(59)	(68)
Trauma Cases	495	469	471	26	24
E/R Visits	36,504	44,410	42,961	(7,906)	(6,457)
E/R Admits	4,442	4,662	4,521	(220)	(79)
E/R Conversion to I/P %	12.2%	10.5%	10.5%	1.7%	1.6%
E/R Admits to Total Admits %	69.5%	67.7%	67.7%	1.8%	1.8%
I/P Surgeries	1,207	1,277	1,210	(70)	(3)
O/P Surgeries	1,281	1,435	1,461	(154)	(180)
Total Surgeries	2,488	2,712	2,671	(224)	(183)

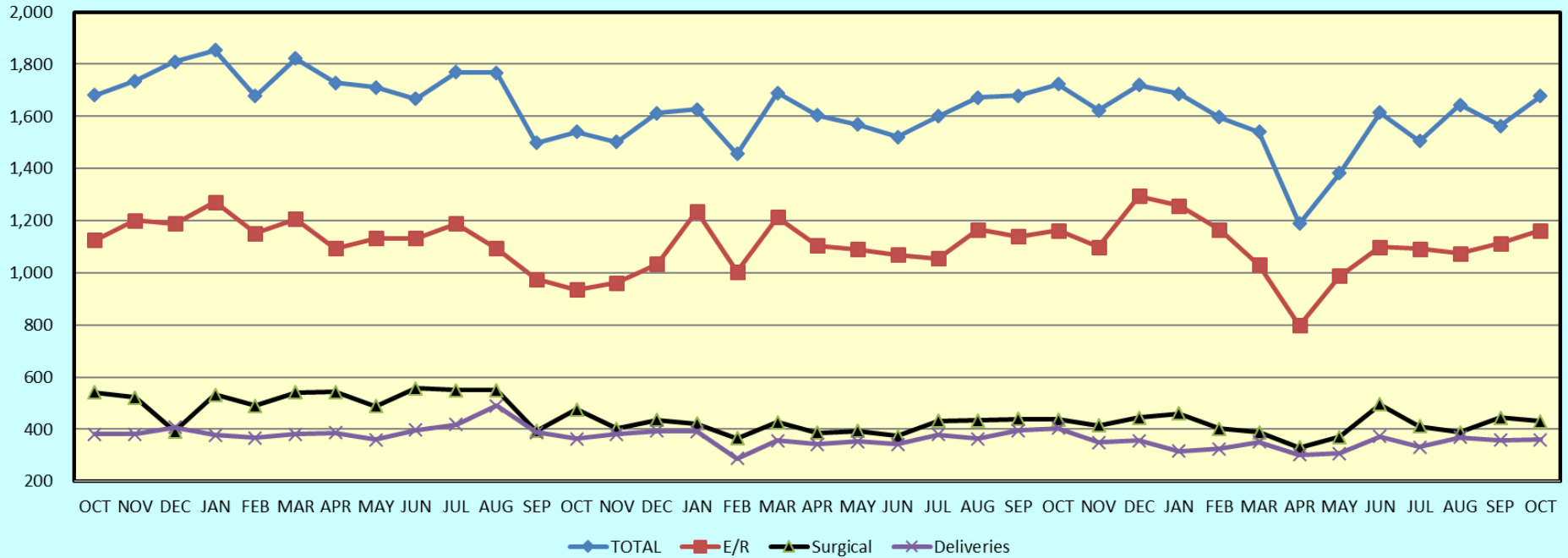


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Admissions Trends October 2017 – October 2020

Admissions Trends October 2017 - October 2020



Gross Charges by Payor Mix

October 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	14.9%	18.9%	18.8%	-4.0%	-4.0%
Medicare Mgd Care	18.7%	17.4%	16.6%	1.4%	2.1%
MediCal	11.8%	11.2%	11.9%	0.6%	-0.2%
MediCal Mgd Care	31.5%	29.0%	30.4%	2.5%	1.2%
Commercial - Mgd Care	20.3%	20.7%	19.7%	-0.4%	0.6%
Other	2.2%	1.8%	1.3%	0.4%	0.9%
Self Pay	0.6%	1.1%	1.3%	-0.4%	-0.7%

October 2020
YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	16.6%	18.9%	19.1%	-2.3%	-2.6%
Medicare Mgd Care	18.4%	17.4%	16.9%	1.1%	1.6%
MediCal	11.6%	11.2%	11.0%	0.5%	0.7%
MediCal Mgd Care	29.3%	29.0%	29.4%	0.3%	-0.1%
Commercial - Mgd Care	20.8%	20.7%	20.6%	0.1%	0.2%
Other	2.0%	1.8%	1.8%	0.2%	0.1%
Self Pay	1.3%	1.1%	1.2%	0.2%	0.1%



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Metrics - Monthly

October 2020

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 15,764	\$ 14,741	\$ 14,823	\$ 1,023	\$ 942
Net Patient Revenue Adj Patient Day	\$ 3,416	\$ 3,100	\$ 2,958	\$ 316	\$ 458
Contractuals as a % of Gross Revenue	78.3%	77.6%	79.3%	0.7%	-1.0%
Charity / Bad Debt as a % of Gross Revenue	0.1%	1.4%	0.8%	-1.3%	-0.7%

Labor Metrics

FTEs: Productive (Excluding Registry)	2,027	1,930	1,919	97	108
FTEs: Non-Productive	277	277	283	(0)	(6)
FTEs: Contract Labor/Registry	73	56	63	17	10
FTEs: Total	2,377	2,264	2,265	114	112

Productive FTEs / AOB	6.31	5.48	5.70	0.83	0.61
Paid FTEs / AOB	7.14	6.24	6.52	0.90	0.62

FTEs Contract Labor as % of FTEs Total Labor	3.1%	2.5%	2.8%	0.6%	0.3%
Labor Cost as % of Total Operating Revenue	63.4%	59.1%	64.8%	4.3%	-1.5%
Benefits as % of Labor (Excluding Registry)	33.1%	34.4%	34.1%	-1.3%	-1.0%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 15,375	\$ 13,352	\$ 13,360	\$ 2,023	\$ 2,016
Total Operating Expenses / Adj Patient Day	\$ 3,725	\$ 3,243	\$ 3,362	\$ 482	\$ 363
Total Supplies / Adj Discharge	\$ 2,459	\$ 2,231	\$ 2,261	\$ 228	\$ 197
Total Supplies / Adj Patient Day	\$ 596	\$ 542	\$ 569	\$ 54	\$ 27
Total Supplies as % of Total Operating Revenue	16.1%	15.7%	17.5%	0.4%	-1.4%



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Metrics – Year to Date

October 2020

YTD

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 15,147	\$ 14,781	\$ 15,061	\$ 366	\$ 87
Net Patient Revenue Adj Patient Day	\$ 3,263	\$ 3,108	\$ 3,130	\$ 155	\$ 133
Contractuals as a % of Gross Revenue	77.1%	77.6%	78.2%	-0.5%	-1.1%
Charity / Bad Debt as a % of Gross Revenue	1.4%	1.4%	1.0%	0.0%	0.4%

Labor Metrics

FTEs: Productive (Excluding Registry)	2,016	1,932	1,892	83	124
FTEs: Non-Productive	290	277	293	12	(4)
FTEs: Contract Labor/Registry	66	57	64	10	3
FTEs: Total	2,371	2,266	2,248	105	123

Productive FTEs / AOB	6.11	5.48	5.77	0.62	0.33
Paid FTEs / AOB	6.96	6.25	6.64	0.71	0.32

FTEs Contract Labor as % of FTEs Total Labor	2.8%	2.5%	2.8%	0.3%	0.0%
Labor Cost as % of Total Operating Revenue	60.0%	59.0%	61.8%	1.0%	-1.7%
Benefits as % of Labor (Excluding Registry)	31.6%	34.4%	32.0%	-2.8%	-0.4%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 15,714	\$ 13,407	\$ 13,208	\$ 2,306	\$ 2,506
Total Operating Expenses / Adj Patient Day	\$ 3,599	\$ 3,256	\$ 3,361	\$ 342	\$ 238
Total Supplies / Adj Discharge	\$ 2,520	\$ 2,235	\$ 2,144	\$ 285	\$ 376
Total Supplies / Adj Patient Day	\$ 577	\$ 543	\$ 545	\$ 34	\$ 32
Total Supplies as % of Total Operating Revenue	15.2%	15.7%	15.9%	-0.4%	-0.7%

