

Financial Performance

March 2020

ANTELOPE VALLEY
HOSPITAL

A facility of Antelope Valley Healthcare District



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Statement of Income – March (in thousands)

March 2020	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Revenues</u>					
Net Patient Revenue	\$ 30,692	\$ 32,646	\$ 32,025	\$ (1,954)	\$ (1,333)
Supplemental Funds/Settlements	3,334	3,279	4,489	55	(1,155)
Other Operating Revenue	1,092	1,325	1,294	(233)	(202)
Total Operating Revenues	\$ 35,117	\$ 37,249	\$ 37,808	\$ (2,131)	\$ (2,690)
<u>Expenses</u>					
Productive Salaries	\$ 14,419	\$ 13,713	\$ 13,195	\$ 705	\$ 1,223
Non-Productive Salaries	2,381	2,454	2,482	(73)	(101)
Registry/Contract Labor	881	1,063	1,176	(182)	(295)
Benefits	4,583	5,766	6,001	(1,183)	(1,417)
Total Supplies	5,662	4,800	5,284	861	378
Purchased Svcs	2,769	2,384	2,750	385	18
Other	5,254	4,778	5,283	476	(29)
Total Operating Expenses	\$ 35,948	\$ 34,959	\$ 36,171	\$ 989	\$ (223)
<u>EBIDA</u>	\$ (830)	\$ 2,289	\$ 1,637	\$ (3,120)	\$ (2,467)
<i>EBIDA Margin</i>	<i>-2.4%</i>	<i>6.1%</i>	<i>4.3%</i>		
Depreciation and Amortization	1,545	1,587	1,785	(42)	(241)
Interest Expense	510	504	544	6	(34)
<u>Operating Income (loss)</u>	\$ (2,885)	\$ 199	\$ (693)	\$ (3,083)	\$ (2,192)
Investment Income (loss)	(48)	526	1,040	(574)	(1,088)
Capital Contribution	-	-	-	-	-
<u>NET INCOME (LOSS)</u>	\$ (2,932)	\$ 725	\$ 348	\$ (3,657)	\$ (3,280)
<i>Net Profit (loss)Margin</i>	<i>-8.4%</i>	<i>1.9%</i>	<i>0.9%</i>		
EBIDA w/o Supplemental and IGT	\$ (3,728)	\$ (432)	\$ (1,526)	\$ (3,296)	\$ (2,202)



EBIDA w/o Supplemental and IGT

Statement of Income – Year to Date (in thousands)

March 2020 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 297,510	\$ 292,726	\$ 279,437	\$ 4,784	\$ 18,073
Supplemental Funds/Settlements	25,760	28,052	14,763	(2,292)	10,997
Other Operating Revenue	11,337	11,750	12,842	(412)	(1,504)
Total Operating Revenues	\$ 334,607	\$ 332,527	\$ 307,042	\$ 2,080	\$ 27,565
Expenses					
Productive Salaries	\$ 124,308	\$ 120,168	\$ 112,498	\$ 4,140	\$ 11,810
Non-Productive Salaries	21,065	21,627	21,213	(562)	(148)
Registry/Contract Labor	8,636	9,569	9,863	(932)	(1,227)
Benefits	45,747	51,348	49,970	(5,600)	(4,223)
Total Supplies	51,989	44,663	44,026	7,326	7,963
Purchased Svcs	22,529	21,457	21,451	1,072	1,078
Other	45,287	42,999	41,033	2,288	4,253
Total Operating Expenses	\$ 319,561	\$ 311,830	\$ 300,055	\$ 7,731	\$ 19,507
EBIDA	\$ 15,046	\$ 20,697	\$ 6,987	\$ (5,652)	\$ 8,059
<i>EBIDA Margin</i>	4.5%	6.2%	2.3%		
Depreciation and Amortization	14,299	14,282	13,050	17	1,248
Interest Expense	4,683	4,537	4,855	146	(172)
Operating Income (loss)	\$ (3,936)	\$ 1,879	\$ (10,918)	\$ (5,815)	\$ 6,982
Investment Income (loss)	4,471	4,667	4,906	(196)	(435)
Capital Contribution	1,289	-	111	1,289	1,178
NET INCOME (LOSS)	\$ 1,824	\$ 6,546	\$ (5,902)	\$ (4,722)	\$ 7,725
<i>Net Profit (loss)Margin</i>	0.5%	2.0%	-1.9%		
EBIDA w/o Supplemental and IGT	\$ (7,192)	\$ (2,340)	\$ (6,449)	\$ (4,852)	\$ (742)



Volumes – March

March 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	1,540	1,780	1,690	(240)	(150)
Adjusted Discharges	2,336	2,786	2,565	(450)	(229)
Acute Patient Days	6,932	7,275	7,029	(343)	(97)
Adjusted Patient Days	10,514	11,387	10,669	(873)	(155)
Observations (as Patient Days)	372	339	350	33	22
Average Daily Census	224	235	227	(11)	(3)
Adjusted Occupied Bed	339	367	344	(28)	(5)
General Acute LOS	4.50	4.09	4.16	0.41	0.34
General Acute CMI	1.42	1.34	1.34	0.08	0.08
Medicare Acute LOS	5.48	5.27	5.00	0.21	0.48
AVH GM LOS	4.17	4.00	3.80	0.17	0.37
CMS GM LOS	4.11	4.00	3.88	0.11	0.23
Medicare CMI	2.14	1.85	1.78	0.29	0.36



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Volumes – March (continued)

March 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	351	361	357	(10)	(6)
I/P Surgeries-WIP	117	113	115	4	2
Trauma Cases	120	115	95	5	25
E/R Visits	9,858	12,445	12,058	(2,587)	(2,200)
E/R Admits	1,031	1,310	1,213	(279)	(182)
E/R Conversion to I/P %	10.5%	10.5%	10.1%	-0.1%	0.4%
E/R Admits to Total Admits %	66.9%	73.6%	71.8%	-6.6%	-4.8%
I/P Surgeries	234	310	313	(76)	(79)
O/P Surgeries	246	370	340	(124)	(94)
Total Surgeries	480	680	653	(200)	(173)



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Volumes – Year to Date

**March 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	14,844	15,231	14,463	(387)	381
Adjusted Discharges	23,257	23,286	22,065	(29)	1,192
Acute Patient Days	61,745	64,532	60,276	(2,787)	1,469
Adjusted Patient Days	96,649	98,628	91,918	(1,979)	4,731
Observations (as Patient Days)	3,364	2,928	2,829	436	535
Average Daily Census	225	235	220	(10)	5
Adjusted Occupied Bed	351	359	335	(7)	16
General Acute LOS	4.16	4.24	4.17	(0.08)	(0.01)
General Acute CMI	1.35	1.34	1.30	0.01	0.05
Medicare Acute LOS	5.12	5.47	5.38	(0.35)	(0.26)
AVH GM LOS	3.68	4.00	3.91	(0.32)	(0.23)
CMS GM LOS	4.11	4.00	3.88	0.11	0.23
Medicare CMI	1.89	1.85	1.80	0.04	0.09



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Volumes – Year to Date (continued)

**March 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	3,243	3,511	3,475	(268)	(232)
I/P Surgeries-WIP	1,138	1,141	1,165	(3)	(27)
Trauma Cases	1,023	1,020	940	3	83
E/R Visits	99,908	98,028	94,489	1,880	5,419
E/R Admits	10,369	10,413	9,642	(44)	727
E/R Conversion to I/P %	10.4%	10.6%	10.2%	-0.2%	0.2%
E/R Admits to Total Admits %	69.9%	68.4%	66.7%	1.5%	3.2%
I/P Surgeries	2,679	2,836	2,857	(157)	(178)
O/P Surgeries	3,104	3,047	2,790	57	314
Total Surgeries	5,783	5,883	5,647	(100)	136

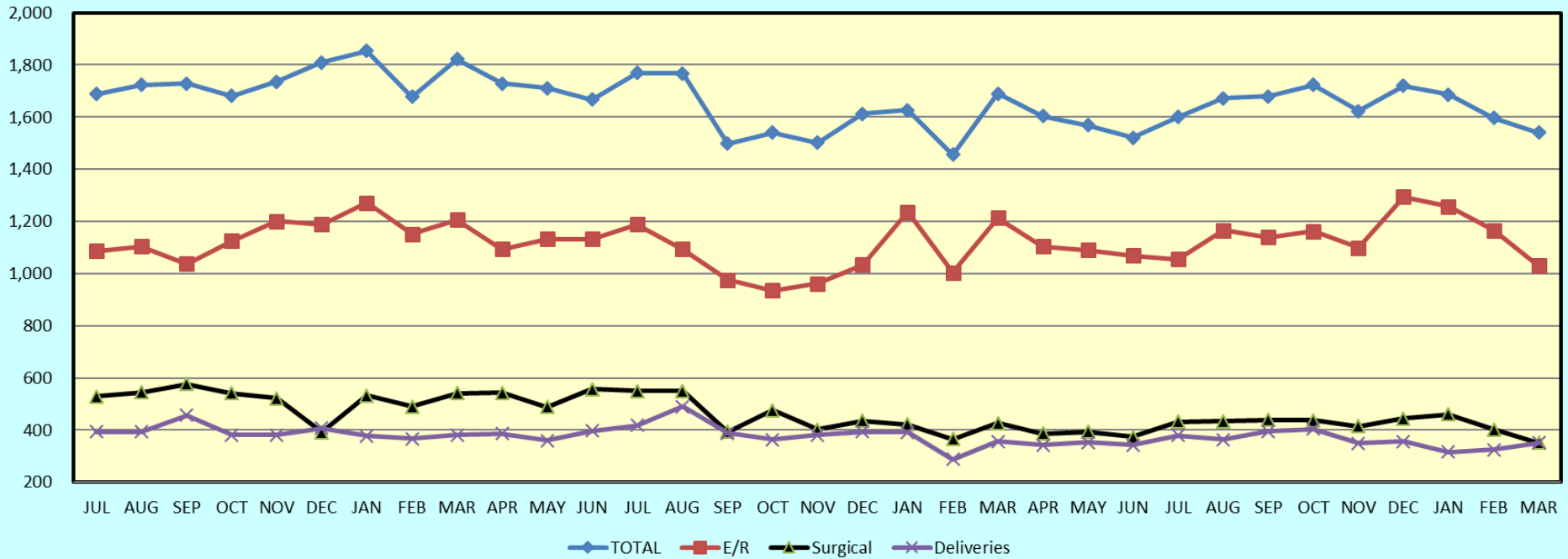


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Admissions Trends July 2017 – March 2020

Admissions Trends July 2017 - March 2020



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Gross Charges by Payor Mix

March 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	17.4%	17.7%	18.4%	-0.2%	-1.0%
Medicare Mgd Care	18.6%	16.9%	17.3%	1.8%	1.4%
MediCal	9.2%	10.1%	10.2%	-0.9%	-0.9%
MediCal Mgd Care	30.8%	29.6%	27.7%	1.2%	3.1%
Commercial - Mgd Care	20.7%	21.3%	22.3%	-0.6%	-1.6%
Other	2.1%	2.0%	2.7%	0.1%	-0.6%
Self Pay	1.1%	2.5%	1.4%	-1.4%	-0.4%

March 2020 YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	18.7%	17.8%	17.7%	0.9%	0.9%
Medicare Mgd Care	17.5%	16.9%	16.8%	0.6%	0.7%
MediCal	10.9%	10.2%	10.5%	0.7%	0.4%
MediCal Mgd Care	29.3%	29.3%	29.1%	0.1%	0.2%
Commercial - Mgd Care	20.7%	21.5%	21.6%	-0.8%	-0.9%
Other	1.8%	2.0%	2.1%	-0.2%	-0.3%
Self Pay	1.1%	2.4%	2.1%	-1.3%	-1.0%



Key Financial Ratios

March 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	-8.4%	1.9%	0.9%	-10.3%	-9.3%
Operating Income (Loss) Margin %	-8.2%	0.5%	-1.8%	-8.7%	-6.4%
EBIDA (Loss) Margin %	-2.4%	6.1%	4.3%	-8.5%	-6.7%
Outpatient Revenue %	34.1%	36.6%	34.1%	-2.6%	-0.1%
Realization Rate on Gross Charges	20.3%	20.1%	20.5%	0.2%	-0.2%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 38,610	\$ 36,456	\$ 35,236	\$ 2,154	\$ 3,374
Cash Collections/Net Patient Revenue	125.8%	111.7%	110.0%	14.1%	15.8%

March 2020

YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	0.5%	2.0%	-1.9%	-1.4%	2.5%
Operating Income (Loss) Margin %	-1.2%	0.6%	-3.6%	-1.7%	2.4%
EBIDA (Loss) Margin %	4.5%	6.2%	2.3%	-1.7%	2.2%
Outpatient Revenue %	36.1%	34.6%	34.4%	1.5%	1.7%
Realization Rate on Gross Charges	20.6%	20.9%	20.4%	-0.3%	0.2%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 297,101	\$ 298,276	\$ 268,158	\$ (1,175)	\$ 28,943
Cash Collections/Net Patient Revenue	99.9%	101.9%	96.0%	-2.0%	3.9%



Ratios and Debt Covenant Requirements

**March 2020
YTD**

	Actual	Last Year	Last Year Variance
<u>Working Capital Indicators</u>			
Net Days in Accounts Receivable - 3 month lookback	52.1	56.3	(4.2)
Working Capital (in thousands)	\$ 57,499	\$ 43,834	\$ 13,665
Current Ratio	1.3	1.2	0.1
Inventory Turnover	7.5	6.5	1.0
<u>Operating Cash</u>			
Operating Liquid Cash (in thousands)	\$ 78,061	\$ 63,799	\$ 14,262
Total Cash (in thousands)	\$ 218,977	\$ 199,270	\$ 19,707
Operating Liquid Cash and Mkt Securities as % of Debt	145.0%	126.1%	18.9%
Debt To Capitalization	48.4%	49.1%	0.7%
Average Age of Plant (in years)	15.1	15.8	(0.6)
<u>Bond Covenant Requirements</u>			
Days Cash on Hand	159.7	Requirement 55.0	10.8



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Metrics - Monthly

March 2020

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 14,397	\$ 14,297	\$ 14,648	\$ 100	\$ (251)
Net Patient Revenue Adj Patient Day	\$ 2,919	\$ 2,867	\$ 3,002	\$ 52	\$ (83)
Contractuals as a % of Gross Revenue	77.1%	78.0%	76.5%	-0.9%	0.6%
Charity / Bad Debt as a % of Gross Revenue	2.6%	2.0%	3.0%	0.7%	-0.4%

Labor Metrics

FTEs: Productive (Excluding Registry)	2,008	1,871	1,838	137	170
FTEs: Non-Productive	246	320	317	(74)	(71)
FTEs: Contract Labor/Registry	46	66	73	(20)	(27)
FTEs: Total	2,300	2,256	2,228	44	72
Productive FTEs / AOB	6.06	5.27	5.55	0.78	0.50
Paid FTEs / AOB	6.78	6.14	6.47	0.64	0.31
FTEs Contract Labor as % of FTEs Total Labor	2.0%	2.9%	3.3%	-0.9%	-1.3%
Labor Cost as % of Total Operating Revenue	63.4%	61.7%	60.4%	1.7%	3.0%
Benefits as % of Labor (Excluding Registry)	27.3%	35.7%	38.3%	-8.4%	-11.0%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 15,389	\$ 12,548	\$ 14,102	\$ 2,840	\$ 1,287
Total Operating Expenses / Adj Patient Day	\$ 3,419	\$ 3,070	\$ 3,390	\$ 349	\$ 29
Total Supplies / Adj Discharge	\$ 2,424	\$ 1,723	\$ 2,060	\$ 701	\$ 364
Total Supplies / Adj Patient Day	\$ 538	\$ 422	\$ 495	\$ 117	\$ 43
Total Supplies as % of Total Operating Revenue	16.1%	12.9%	14.0%	3.2%	2.1%



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Metrics – Year to Date

March 2020

YTD

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 14,973	\$ 14,213	\$ 14,929	\$ 760	\$ 44
Net Patient Revenue Adj Patient Day	\$ 3,078	\$ 2,968	\$ 3,040	\$ 110	\$ 38
Contractuals as a % of Gross Revenue	78.0%	76.9%	77.0%	1.1%	0.9%
Charity / Bad Debt as a % of Gross Revenue	1.4%	2.2%	2.6%	-0.8%	-1.1%

Labor Metrics

FTEs: Productive (Excluding Registry)	1,936	1,865	1,801	71	135
FTEs: Non-Productive	297	319	303	(22)	(6)
FTEs: Contract Labor/Registry	58	67	69	(9)	(12)
FTEs: Total	2,291	2,251	2,173	39	117

Productive FTEs / AOB	5.67	5.39	5.58	0.29	0.10
Paid FTEs / AOB	6.52	6.28	6.48	0.24	0.04

FTEs Contract Labor as % of FTEs Total Labor	2.5%	3.0%	3.2%	-0.5%	-0.7%
Labor Cost as % of Total Operating Revenue	59.7%	61.0%	63.0%	-1.3%	-3.3%
Benefits as % of Labor (Excluding Registry)	31.5%	36.2%	37.4%	-4.7%	-5.9%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 13,740	\$ 13,391	\$ 13,599	\$ 349	\$ 142
Total Operating Expenses / Adj Patient Day	\$ 3,306	\$ 3,162	\$ 3,264	\$ 145	\$ 42
Total Supplies / Adj Discharge	\$ 2,235	\$ 1,918	\$ 1,995	\$ 317	\$ 240
Total Supplies / Adj Patient Day	\$ 538	\$ 453	\$ 479	\$ 85	\$ 59
Total Supplies as % of Total Operating Revenue	15.5%	13.4%	14.3%	2.1%	1.2%



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