

# Financial Performance

September 2019

ANTELOPE VALLEY  
HOSPITAL

*A facility of Antelope Valley Healthcare District*



# Statement of Income – September (in thousands)

## September 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<b>Revenues</b>					
Net Patient Revenue	\$ 32,856	\$ 31,764	\$ 28,677	\$ 1,092	\$ 4,180
Supplemental Funds/Settlements	2,052	2,905	288	(853)	1,764
Other Operating Revenue	1,175	1,282	4,179	(106)	(3,004)
<b>Total Operating Revenues</b>	<b>\$ 36,083</b>	<b>\$ 35,950</b>	<b>\$ 33,144</b>	<b>\$ 133</b>	<b>\$ 2,940</b>
<b>Expenses</b>					
Productive Salaries	\$ 13,473	\$ 12,927	\$ 12,499	\$ 545	\$ 974
Non-Productive Salaries	2,221	2,334	2,182	(113)	39
Registry/Contract Labor	1,036	1,063	1,100	(27)	(64)
Benefits	4,940	5,682	4,985	(743)	(45)
Total Supplies	5,320	4,480	4,121	840	1,199
Purchased Svcs	2,559	2,384	2,121	175	438
Other	5,103	4,778	4,365	326	738
<b>Total Operating Expenses</b>	<b>\$ 34,652</b>	<b>\$ 33,648</b>	<b>\$ 31,373</b>	<b>\$ 1,004</b>	<b>\$ 3,279</b>
<b>EBIDA</b>	<b>\$ 1,431</b>	<b>\$ 2,302</b>	<b>\$ 1,771</b>	<b>\$ (871)</b>	<b>\$ (339)</b>
<i>EBIDA Margin</i>	4.0%	6.4%	5.3%		
Depreciation and Amortization	1,678	1,587	1,461	91	217
Interest Expense	523	504	538	19	(15)
<b>Operating Income (loss)</b>	<b>\$ (770)</b>	<b>\$ 211</b>	<b>\$ (229)</b>	<b>\$ (981)</b>	<b>\$ (541)</b>
Investment Income (loss)	(13)	509	46	(522)	(59)
Capital Contribution	1,289	-	-	1,289	1,289
<b>NET INCOME (LOSS)</b>	<b>\$ 506</b>	<b>\$ 720</b>	<b>\$ (182)</b>	<b>\$ (214)</b>	<b>\$ 689</b>
<i>Net Profit (loss)Margin</i>	1.4%	2.0%	-0.5%		
<b>EBIDA w/o Supplemental and IGT</b>	<b>\$ (285)</b>	<b>\$ (45)</b>	<b>\$ 1,483</b>	<b>\$ (240)</b>	<b>\$ (1,768)</b>



# Statement of Income – Year to Date (in thousands)

September 2019 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<b><u>Revenues</u></b>					
Net Patient Revenue	\$ 98,530	\$ 100,023	\$ 95,297	\$ (1,493)	\$ 3,233
Supplemental Funds/Settlements	6,197	9,768	870	(3,571)	5,327
Other Operating Revenue	3,495	3,931	5,452	(435)	(1,956)
<b>Total Operating Revenues</b>	<b>\$ 108,222</b>	<b>\$ 113,721</b>	<b>\$ 101,619</b>	<b>\$ (5,499)</b>	<b>\$ 6,603</b>
<b><u>Expenses</u></b>					
Productive Salaries	\$ 40,659	\$ 41,061	\$ 37,825	\$ (402)	\$ 2,834
Non-Productive Salaries	7,040	7,399	7,322	(359)	(282)
Registry/Contract Labor	3,152	3,190	2,944	(37)	208
Benefits	14,912	17,255	16,533	(2,343)	(1,621)
Total Supplies	16,595	16,458	14,387	137	2,208
Purchased Svcs	7,279	7,152	6,961	127	319
Other	14,148	14,333	12,459	(185)	1,689
<b>Total Operating Expenses</b>	<b>\$ 103,785</b>	<b>\$ 106,848</b>	<b>\$ 98,430</b>	<b>\$ (3,063)</b>	<b>\$ 5,355</b>
<b><u>EBIDA</u></b>	<b>\$ 4,438</b>	<b>\$ 6,873</b>	<b>\$ 3,190</b>	<b>\$ (2,436)</b>	<b>\$ 1,248</b>
<i>EBIDA Margin</i>	4.1%	6.0%	3.1%		
Depreciation and Amortization	4,960	4,761	3,928	200	1,032
Interest Expense	1,588	1,512	1,630	76	(42)
<b><u>Operating Income (loss)</u></b>	<b>\$ (2,111)</b>	<b>\$ 601</b>	<b>\$ (2,369)</b>	<b>\$ (2,712)</b>	<b>\$ 258</b>
Investment Income (loss)	1,340	1,561	963	(221)	377
Capital Contribution	1,289	-	-	1,289	1,289
<b><u>NET INCOME (LOSS)</u></b>	<b>\$ 518</b>	<b>\$ 2,162</b>	<b>\$ (1,406)</b>	<b>\$ (1,644)</b>	<b>\$ 1,924</b>
<i>Net Profit (loss)Margin</i>	0.5%	1.9%	-1.4%		
<b><u>EBIDA w/o Supplemental and IGT</u></b>	<b>\$ (754)</b>	<b>\$ (1,223)</b>	<b>\$ 2,320</b>	<b>\$ 469</b>	<b>\$ (3,073)</b>



**EBIDA w/o Supplemental and IGT**

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# Volumes - September

## September 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<b><u>Volumes</u></b>					
Acute Discharges	1,680	1,577	1,498	103	182
Adjusted Discharges	2,662	2,379	2,319	283	343
Acute Patient Days	6,582	7,038	6,238	(456)	344
Adjusted Patient Days	10,430	10,618	9,658	(188)	772
Observations (as Patient Days)	338	298	337	40	1
Average Daily Census	219	235	208	(16)	11
Adjusted Occupied Bed	348	354	322	(6)	26
General Acute LOS	3.92	4.46	4.16	(0.55)	(0.25)
General Acute CMI	1.26	1.34	1.21	(0.08)	0.05
Medicare Acute LOS	5.06	5.77	5.92	(0.71)	(0.86)
AVH GM LOS	3.36	4.00	3.82	(0.64)	(0.46)
CMS GM LOS	3.76	4.00	3.75	(0.24)	0.01
Medicare CMI	1.88	1.85	1.75	0.03	0.13



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# Volumes – September (continued)

September 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<b><u>Volumes</u></b>					
Deliveries	396	392	388	4	8
I/P Surgeries-WIP	138	134	137	4	1
Trauma Cases	137	111	90	26	47
E/R Visits	10,701	9,714	9,897	987	804
E/R Admits	1,139	1,054	976	85	163
E/R Conversion to I/P %	10.6%	10.9%	9.9%	-0.2%	0.8%
E/R Admits to Total Admits %	67.8%	66.8%	65.2%	1.0%	2.6%
I/P Surgeries	302	255	257	47	45
O/P Surgeries	363	287	263	76	100
Total Surgeries	665	542	520	123	145



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# Volumes – Year to Date

**September 2019  
YTD**

	<b>Actual</b>	<b>Budget</b>	<b>Last Year</b>	<b>Budget Variance</b>	<b>Last Year Variance</b>
<b><u>Volumes</u></b>					
Acute Discharges	4,954	5,303	5,036	(349)	(82)
Adjusted Discharges	7,889	8,094	7,766	(205)	123
Acute Patient Days	19,396	21,588	20,140	(2,192)	(744)
Adjusted Patient Days	30,887	32,937	31,045	(2,050)	(158)
Observations (as Patient Days)	1,025	1,043	888	(18)	137
Average Daily Census	211	235	219	(24)	(8)
Adjusted Occupied Bed	336	358	337	(22)	(2)
General Acute LOS	3.92	4.07	4.00	(0.16)	(0.08)
General Acute CMI	1.31	1.30	1.25	0.01	0.06
Medicare Acute LOS	5.01	5.26	5.32	(0.25)	(0.32)
AVH GM LOS	3.54	4.00	3.91	(0.46)	(0.37)
CMS GM LOS	3.76	4.00	3.75	(0.24)	0.01
Medicare CMI	1.87	1.85	1.81	0.02	0.06



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# Volumes – Year to Date (continued)

September 2019  
YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<b><u>Volumes</u></b>					
Deliveries	1,139	1,311	1,298	(172)	(159)
IP Surgeries-WIP	399	428	437	(29)	(38)
Trauma Cases	356	341	327	15	29
E/R Visits	32,225	32,175	31,655	50	570
E/R Admits	3,359	3,518	3,258	(159)	101
E/R Conversion to I/P %	10.4%	10.9%	10.3%	-0.5%	0.1%
E/R Admits to Total Admits %	67.8%	66.3%	64.7%	1.5%	3.1%
I/P Surgeries	907	1,050	1,059	(143)	(152)
O/P Surgeries	1,087	970	888	117	199
Total Surgeries	1,994	2,020	1,947	(26)	47

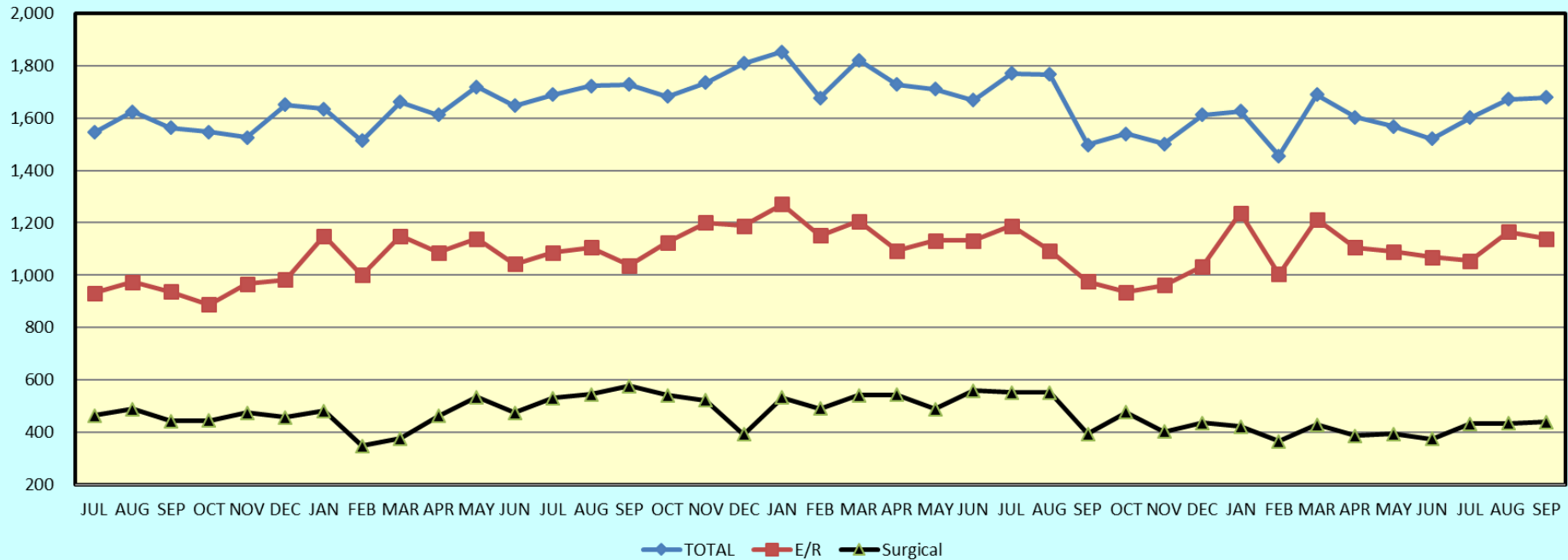


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# Admissions Trends July 2016 – September 2019

## Admissions Trends July 2016 - September 2019



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# First Quarter – Consistent Performance

## Dollars

### Operating Revenue (000's)

SEP	\$	36,083
AUG	\$	36,301
JUL	\$	35,838

### Labor Costs (000's)

SEP	\$	21,669
AUG	\$	22,416
JUL	\$	21,679

### Supplies (000's)

SEP	\$	5,320
AUG	\$	5,780
JUL	\$	5,494

### Total Operating Expenses (000's)

SEP	\$	34,652
AUG	\$	34,729
JUL	\$	34,404

### EBIDA (000's)

SEP	\$	1,431
AUG	\$	1,572
JUL	\$	1,434

### Net Income (000's)

SEP	\$	506
AUG	\$	694
JUL	\$	(682)

## Volumes

### Discharges

SEP	1,680
AUG	1,673
JUL	1,601

### E/R Visits

SEP	10,701
AUG	11,102
JUL	10,422

### E/R Conversion Rate

SEP	10.6%
AUG	10.5%
JUL	10.1%

### Inpatient Surgeries

SEP	440
AUG	434
JUL	432

### Outpatient Surgeries

SEP	363
AUG	353
JUL	371

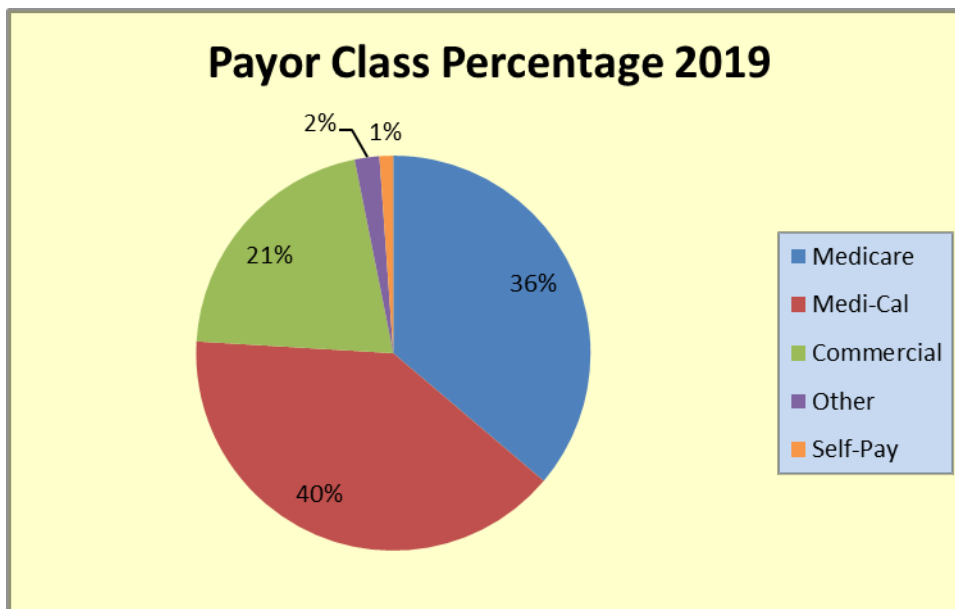
### Deliveries

SEP	396
AUG	363
JUL	380



## Payor Mix (Gross Charges)

Medicare	36.2%
Medi-Cal	39.8%
Commercial	20.9%
Other	2.0%
Self-Pay	1.1%



# Key Financial Ratios

## September 2019

### Key Financial Ratios

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Net Income (Loss) Margin %	1.4%	2.0%	-0.5%	-0.6%	2.0%
Operating Income (Loss) Margin %	-2.1%	0.6%	-0.7%	-2.7%	-1.4%
EBIDA (Loss) Margin %	4.0%	6.4%	5.3%	-2.4%	-1.4%
Outpatient Revenue %	36.9%	33.8%	35.4%	3.1%	1.5%
Realization Rate on Gross Charges	20.8%	21.9%	20.6%	-1.0%	0.2%

### Working Capital Indicators

Cash Collections (in thousands)	\$	28,237	\$	32,335	\$	27,961	\$	(4,098)	\$	276
Cash Collections/Net Patient Revenue		85.9%		101.8%		97.5%		-15.9%		-11.6%

## September 2019

### YTD

### Key Financial Ratios

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Net Income (Loss) Margin %	0.5%	1.9%	-1.4%	-1.4%	1.9%
Operating Income (Loss) Margin %	-2.0%	0.5%	-2.3%	-2.5%	0.4%
EBIDA (Loss) Margin %	4.1%	6.0%	3.1%	-1.9%	1.0%
Outpatient Revenue %	37.2%	34.5%	35.1%	2.7%	2.1%
Realization Rate on Gross Charges	21.1%	20.7%	20.8%	0.3%	0.3%

### Working Capital Indicators

Cash Collections (in thousands)	\$	93,603	\$	93,841	\$	95,631	\$	(238)	\$	(2,028)
Cash Collections/Net Patient Revenue		95.0%		93.8%		100.3%		1.2%		-5.4%



# Ratios and Debt Covenant Requirements

**September 2019  
YTD**

	<b>Actual</b>	<b>Last Year</b>	<b>Last Year Variance</b>
<b><u>Working Capital Indicators</u></b>			
Net Days in Accounts Receivable - 3 month lookback	55.8	47.3	8.6
Working Capital (in thousands)	\$ 54,164	\$ 34,001	\$ 20,163
Current Ratio	1.2	1.2	0.1
Inventory Turnover	2.4	2.1	0.3
<b><u>Operating Cash</u></b>			
Operating Liquid Cash (in thousands)	\$ 85,794	\$ 78,955	\$ 6,839
Total Cash (in thousands)	\$ 224,108	\$ 226,407	\$ (2,299)
Operating Liquid Cash and Mkt Securities as % of Debt	146.2%	134.7%	11.4%
Debt To Capitalization	51.0%	51.3%	0.3%
Average Age of Plant ( in years)	14.1	17.4	(3.4)
<b><u>Bond Covenant Requirements</u></b>			
Days Cash on Hand	167.1	<b>Requirement</b> 55.0	(12.1)



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