



Executive Summary

Finance Committee
Held February 26, 2024

Capital Purchase Requests reviewed:

- Threshold: **Kronos Implementation - \$514,000**
- Non-Threshold:
 - Mobile X-ray - Radiology
 - Perimeter Firewalls – IT
 - Pre-Anesthesia Clinic – Periop Services
 - Workday Budget Module Implementation - Accounting

Discussion Items

- Revenue Cycle provided an update on their work thus far. Lost of progress but without expansion of staffing, leadership and systems additional improvements will be hard to realize.

Financial Results:

- See attached Narrative and financials
 - February 2024 Operating Profit was \$1.54 Million vs a budget profit of \$316 Thousand / Year to date \$603 Thousand Loss vs budget loss of \$1.4 Million
 - February 2024 Overall Profit at \$819 Thousand due to market loss on investments / Year to date \$400 Thousand Loss vs budget of \$2.6 Million Loss
 - February 2024 Operating EBIDA – POSITIVE \$2.5 Million / Year to date \$7.1 Million
 - Cash and Cash equivalents balance as of February 2024 is \$63.4 million, up \$1.9 Million from last month and down \$2.1 Million from June 2023.

Executive Summary:

- None

Next meeting:

Next Meeting – April 23, 2024



Month End Financial Narrative
For month ending February 29, 2024

Overall, Bay Area hospital earned \$819K in February vs. budgeted income of \$166K and last year's loss of \$3.1M. Gross Revenue for February was strong ending at \$63.7M overall, \$10.5M ahead of budget. Net Revenue ended the month with a Net to Gross Revenue Margin of 32.5% or \$1.6M ahead of budget. This margin reflects \$4M in high dollar Inpatients accounts with DRG payments that were significantly less than charges, resulting in a 6.2% drop in margin. High dollar accounts included patients with long length of stays and high-cost drug usage.

Work continues with the payer contract renegotiations. Regence BCBS contract increase became effective on 12/15/23 and Pacific Source will be effective 01/01/24, finally MODA contact is effective 02/15/24.

Actual operating expenses were over budget by \$401K. Expenses are higher to support the additional volumes. On a flex basis, based on actual volumes, expense spending is in line with volumes and showing a favorable variance. Overall, Net Income for the month exceeded budget by \$652K. Below is a breakdown of the financials.

Bay Area Hospital																
Consolidated Income Statement - February 2024																
	Month to Date								Year to Date							
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %		
Total Gross Patient Revenue	63,677,674	53,162,020	10,515,654	19.8%	48,354,214	15,323,460	31.7%	470,451,331	432,836,227	37,615,104	8.7%	373,505,892	96,945,439	26.0%		
Total Deductions	43,368,203	34,248,646	(9,109,557)	-26.6%	32,239,373	(11,118,830)	-34.5%	311,399,753	281,033,729	(30,366,024)	-10.8%	244,895,282	(66,504,471)	-27.2%		
Net Healthcare Revenue	20,319,471	18,913,374	1,406,097	7.4%	16,114,841	4,204,630	26.1%	159,051,578	151,802,498	7,249,080	4.8%	128,610,610	30,440,968	23.7%		
Other Oper Revenue	345,339	126,719	218,620	172.5%	818,583	(473,244)	-57.8%	2,129,820	1,013,752	1,116,068	110.1%	1,705,749	424,071	24.9%		
Total Net Revenue	20,664,810	19,040,093	1,624,717	8.5%	16,933,424	3,731,386	22.0%	161,181,398	152,816,250	8,365,148	5.5%	130,316,359	30,865,039	23.7%		
Net to Gross Ratio	32.5%	35.8%			35.0%			34.3%	35.3%			34.9%				
Total Operating Expenses	19,124,946	18,723,607	(401,339)	-2.1%	18,767,036	(357,910)	-1.9%	161,784,376	154,180,855	(7,603,520)	-4.9%	156,193,626	(5,590,750)	-3.6%		
Net Operating Income	1,539,865	316,486	1,223,378	386.6%	(1,833,612)	3,373,477	-184.0%	(602,978)	(1,364,605)	761,628	-55.8%	(25,877,267)	25,274,289	-97.7%		
Net Income	819,013	166,486	652,527	391.9%	(3,138,236)	3,957,249	-126.1%	(399,526)	(2,564,605)	2,165,079	-84.4%	(28,545,494)	28,145,968	-98.6%		

VOLUMES

Inpatient Discharge

- For the month, Inpatient discharges were 30 patients ahead of budget (537 vs. 507) and 85 above last year (452). February through March are typically the busiest months of year at the hospital with flu, respiratory and covid patients.
- Year to date we remain above budget and above last year (4,369 vs. 4,267 budgeted vs. 3,404 last year).

ED Visits

- ED visits were above budget for the month and above last year (2,150 visits this month vs. 2,016 budgeted vs. 1,937 last year). ED volumes have increased over last year, with a higher percentage of ED patients being admitted to the hospital.
- Patients leaving without been seen (LWBS) fell to .68% in February. Anything under 2% is considered best practice.
- YTD visits show 17,775 vs. 16,960 budgeted vs. last year-to-date of 16,667.



Month End Financial Narrative
For month ending February 29, 2024

Cardiac Cath Cases

- This month there were 112 Cath Lab cases vs. budget of 98 and last year same month 89. Cath Lab volumes remain strong and were at the highest level we have seen since March 2023.
- Year -to date we had 814 cases vs. a budget of 827 and a prior year actual of 747. We are just slightly below budget due to fewer Interventional Radiology cases.

Imaging

- Is up over the same month last year by 1,330 billed procedures (7,538 vs. 6,208), with volume growth up in most areas: Cat Scanning, Diagnostic Radiology, MRI, Nuclear Medicine, and Diagnostic Ultrasound being the highest.
- Year-to-date Imaging billed procedures are 19% ahead of last year (59,570 vs. 49,931).

REVENUES

Gross Revenues

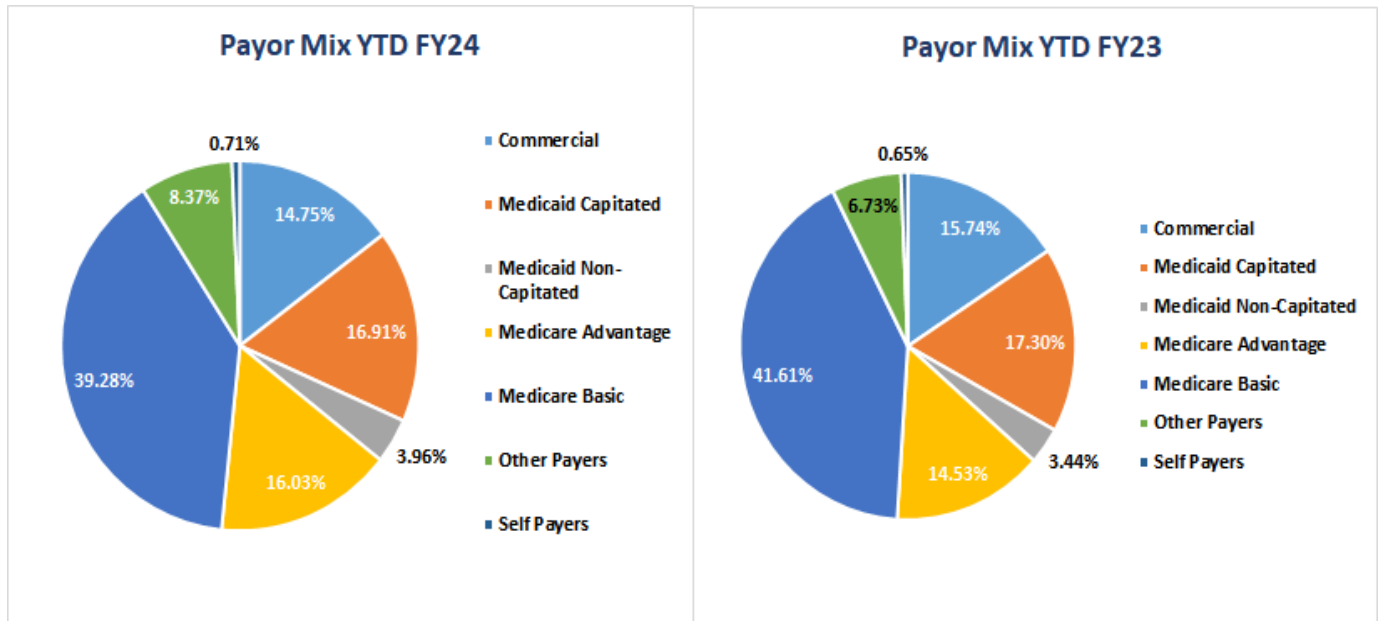
- February's Gross Revenues were ahead of budget \$10.5 Million or 19.8% and over last year by \$15.3M or 31.7%. Majority of this increase is a YTD catch-up related to delinquent documentation. Compared to budget, Inpatient Gross Revenues were \$4.5M over budget and \$6.6M above last year. Outpatient Revenues were \$6.0 Million over Budget and \$8.7M ahead of last year.
- Emergency Room, Inpatient Nursing Units, Imaging, Pharmacy, Cath Lab, and Lab all showed favorable actual vs. budget and year to year increases. The budget and actuals include a 6% price increase that took effect on July 1, 2023.
- Of the \$10.5M variance \$5.1M was due to higher volumes and \$5.4M was due to rate. The Gross Revenue budget for February was \$11,253 per adjusted patient day and actual was \$12,117.

Deductions from Revenue

- As a %, Deductions from Revenue were higher than budget at 67.5% vs. 64.2% (32.5% and 35.8% revenue realization rates). FY22 deductions rate was 65.0% or 35.0% revenue realization rate. Trends show collection rates gradually improving over the past 12 months. The budget assumed renegotiation of all payer contracts would be complete by October 2023; however, as noted earlier, most contracts are in effect after the October date. Net healthcare revenue was favorable to budget \$1.4M for the month.
- Year to Year Commercial payors have decreased from 15.7% last year to 14.7% this year - a decline of 1.0%. We see the corresponding increase in the Other Payers bucket, primarily in Tricare/VA. Medicare and Medicare Advantage are slightly down from last year, 39.3% vs 41.6% last year and 16.0% vs 14.5% last year, respectively (combined total of 55.3 % vs 56.1% last year), Medicaid is close to even year to year at 21.0% this year compared to 20.7% last year.



Month End Financial Narrative
For month ending February 29, 2024



Other Revenues

- Current month actuals were \$345K vs \$127K budget vs \$819K last year. We received \$175K in payments for 340B retail scripts filled. Last year we received \$600K in Epic Training Revenues during February 2023.
- YTD \$2.1M actual vs \$1.0M budget vs \$1.7M last year. The 340B Contract Pharmacy program is the largest driver of the increase. Year to date 340B Contract Pharmacy revenue totals \$992K. Cafeteria and Espresso Shop sales total \$748K YTD.

Net Revenue

- Net Revenue for the month was ahead of budget by \$1.6M and ahead of last year by \$3.7M (Actual of \$20.7M vs. Budget of \$19.0M vs. Last Year of \$16.9M).
- Year-to-date Net Revenues are \$8.4M ahead of budget and \$30.9M ahead of last year (Actual of \$161.2M vs. Budget of \$152.8M vs. Last Year of \$130.3M).

EXPENSES

Salaries

- Salaries were 5.5% over budget and 9.1% over last year (Actual \$6.8M vs Budget \$6.4M vs Last Year \$6.2M). We continue to hire staff and reduce our reliance on Contract labor. Patient volumes remain strong and are ahead of budget. The actual rate (Including Contract Labor) per Adjusted Patient Day of \$1,567 is below the budgeted rate of \$1,850 per Adjusted Patient Day.



Month End Financial Narrative
For month ending February 29, 2024

- Year to date salaries were \$4.3M over budget and \$2.2M over last year (\$57.3M vs \$52.9M vs \$55.1M). YTD the actual rate per Adjusted Patient Day (Including Contract Labor) is lower than budget and lower than prior year (\$1,679 vs \$1,782 budget vs \$2,180 prior year) due to lower Contract Labor Rates.

Contract labor

- Below budget \$858K (\$1.5M vs \$2.3M). Compared to last year, contract labor costs are down \$852K. Contract labor continues to decline as we replace contract employees with permanent employees and 1099 Vendor Contracts. The prior 3-month average for contract labor is \$1.9M. The actual rate per Adjusted Patient Day of \$281 is below the budgeted rate of \$494 per Adjusted Patient Day.
- Year to date Contract labor is below budget \$4.4M and lower than last year (\$15.1M vs \$19.5M vs \$18.3M).

Benefits

- Overall Benefits expense for the month of February was \$291K unfavorable to budget and \$288K unfavorable to last year (\$2.4M actual vs \$2.1M budget and \$2.1M last year). The main driver of the unfavorable expense increase was an increase in the PTO Liability Accrual in February. Overall increase in the PTO Liability for February was \$223K.
- Year-to-date benefits are \$205K favorable to budget (\$16.6M vs. \$16.8M) and \$1.7M over last year's spend (\$14.9M).
- Overall, Salary/Wages/Benefits/Contract labor per Adjusted Patient Day for the month is \$2,016 vs a budget of \$2,287 and last year of \$2,524. The YTD amounts are \$2,065 actual vs \$2,196 budget and \$2,625 prior year.

Physician and Pro-fees

- Over budget \$93K and \$53K unfavorable to last year for the month (\$1.5M actual vs. 1.4M budget and \$1.4M last year). Unbudgeted services of Radiology Physicians and Orthopedic Physicians are driving the overage.
- Year-to-date is over budget and over the prior year (\$12.6M actual vs. \$11.4M budget and \$12.3M last year) for the same reasons as the MTD variance.

Supplies

- Current month actual spend was \$367K unfavorable to budget and \$25K unfavorable to prior year (\$3.3M actual vs. \$3.0M budget vs. \$3.3M last year). Drug expense continues as the area with the largest dollar of spend at 2.7% of Gross Revenue for February.
- Year-to-Date spend is over budget \$3.8M and \$2.6M over last year (\$28.5M actual vs \$24.7M budget and \$25.9M last year). YTD Drug expense as % of Gross Revenues is 3.0% this year vs 3.0% last year.
- Drug Spend continues to be the main driver of variances. Year over year we have 3 drugs that are used to treat various types of cancer and one drug that treats Multiple Sclerosis that have doubled in usage. The prices have only increased 2-8% but the doubling of usage has driven supply costs higher than budget. Unfortunately, the largest increase is for a drug that treats Lung cancer and has no alternative form that is less expensive.



Month End Financial Narrative
For month ending February 29, 2024

Purchased Services

- \$173K unfavorable to budget for the month and \$213K unfavorable to last year (\$1.4M vs. \$1.2M budget vs. \$1.2M last year). Current month activity includes outsourcing Laundry & Linen and an increase for St. Charles EPIC Contract support.
- Year-to-date we were \$1.8M unfavorable to budget and \$1.1M unfavorable to the prior year (\$11.9M vs. \$10.1M budget vs. \$10.8M last year).

Lease/Rentals

- Below budget and below prior year (\$4K vs. \$24K budget and \$14K last year).
- YTD is similar due to reduction in lease rental costs (\$98.8K actual vs. \$202.4K budget and \$175.8K last year).

Depreciation

- Slightly below budget for the month by \$57K and slightly under last year (\$933K vs \$990K budget and \$1.0M last year).
- Year-to-date is similar (\$7.7M actual vs. \$7.9M budget and \$7.9M last year).

Other Operating expense

- Over budget by \$58.4K (\$1.4M Actual vs \$1.3M Budget and \$1.2M last year). The unfavorable variance was primarily due to provider tax expense. We continue to pay more in provider tax expense month to month.
- Year-to-date we are over budget as well and slightly over last year due to Provider Tax costs (\$11.9M Actual vs. \$10.5M Budget and \$10.6M last year).

Bay Area Hospital

Consolidated Income Statement - February 2024

	Month to Date							Year to Date						
	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %	Actual	Budget	Variance	Var %	Prior Year	Variance	Var %
Gross Patient Revenue														
Inpatient Revenue	27,299,630	22,816,318	4,483,312	19.6%	20,710,145	6,589,485	31.8%	201,770,397	181,685,620	20,084,777	11.1%	162,369,605	39,400,792	24.3%
Outpatient Revenue	36,378,045	30,345,702	6,032,342	19.9%	27,644,069	8,733,976	31.6%	268,680,934	251,150,607	17,530,326	7.0%	211,136,286	57,544,647	27.3%
Total Gross Patient Revenue	63,677,674	53,162,020	10,515,654	19.8%	48,354,214	15,323,460	31.7%	470,451,331	432,836,227	37,615,104	8.7%	373,505,892	96,945,439	26.0%
Total Deductions														
Deductions	40,803,503	33,741,614	(7,061,888)	-20.9%	32,435,472	(8,368,031)	-25.8%	306,497,833	276,829,751	(29,668,082)	-10.7%	240,388,499	(66,109,334)	-27.5%
Bad Debt	2,311,473	253,516	(2,057,957)	-811.8%	(405,605)	(2,717,078)	669.9%	3,291,812	2,101,989	(1,189,823)	-56.6%	1,931,264	(1,360,548)	-70.4%
Charity	243,227	253,516	10,289	4.1%	209,505	(33,722)	-16.1%	1,610,107	2,101,989	491,882	23.4%	2,575,518	965,411	37.5%
Total Deductions	43,358,203	34,248,646	(9,109,557)	-26.6%	32,239,373	(11,118,830)	-34.5%	311,399,753	281,033,729	(30,366,024)	-10.8%	244,895,282	(66,504,471)	-27.2%
Net Healthcare Revenue	20,319,471	18,913,374	1,406,097	7.4%	16,114,841	4,204,630	26.1%	159,051,578	151,802,498	7,249,080	4.8%	128,610,610	30,440,968	23.7%
Other Oper Revenue	345,339	126,719	218,620	172.5%	818,583	(473,244)	-57.8%	2,129,820	1,013,752	1,116,068	110.1%	1,705,749	424,071	24.9%
Total Net Revenue	20,664,810	19,040,093	1,624,717	8.5%	16,933,424	3,731,386	22.0%	161,181,398	152,816,250	8,365,148	5.5%	130,316,359	30,865,039	23.7%
Net to Gross Ratio	32.5%	35.8%			35.0%			34.3%	35.3%			34.9%		
Salaries	6,761,158	6,406,631	(354,527)	-5.5%	6,198,810	(562,348)	-9.1%	57,258,982	52,932,672	(4,326,310)	-8.2%	55,092,756	(2,166,226)	-3.9%
Contract Labor	1,475,399	2,333,457	858,058	36.8%	2,327,280	851,881	36.6%	15,072,651	19,517,407	4,444,756	22.8%	18,290,652	3,218,001	17.6%
Benefits	2,357,269	2,066,559	(290,710)	-14.1%	2,068,817	(288,452)	-13.9%	16,633,275	16,838,092	204,817	1.2%	14,962,327	(1,670,949)	-11.2%
Physician & Prof Fee	1,478,503	1,385,901	(92,602)	-6.7%	1,425,340	(53,163)	-3.7%	12,584,415	11,413,606	(1,170,809)	-10.3%	12,311,042	(273,373)	-2.2%
Supplies	3,341,695	2,975,004	(366,691)	-12.3%	3,316,941	(24,753)	-0.7%	28,549,336	24,728,584	(3,820,752)	-15.5%	25,976,864	(2,572,472)	-9.9%
Purchased Services	1,406,141	1,233,248	(172,893)	-14.0%	1,192,919	(213,223)	-17.9%	11,919,586	10,133,356	(1,786,230)	-17.6%	10,788,028	(1,131,557)	-10.5%
Leases/Rentals	4,496	24,260	19,764	81.5%	14,397	9,901	68.8%	98,866	202,455	103,589	51.2%	175,769	76,902	43.8%
Depreciation	933,351	990,000	56,649	5.7%	1,020,995	87,644	8.6%	7,728,129	7,920,000	191,871	2.4%	7,952,922	224,793	2.8%
Other Oper Expense	1,366,933	1,308,546	(58,387)	-4.5%	1,201,536	(165,397)	-13.8%	11,939,135	10,494,683	(1,444,453)	-13.8%	10,643,265	(1,295,870)	-12.2%
Total Operating Expenses	19,124,946	18,723,607	(401,339)	-2.1%	18,767,036	(357,910)	-1.9%	161,784,376	154,180,855	(7,603,520)	-4.9%	156,193,626	(5,590,750)	-3.6%
Net Operating Income	1,539,865	316,486	1,223,378	386.6%	(1,833,612)	3,373,477	-184.0%	(602,978)	(1,364,605)	761,628	-55.8%	(25,877,267)	25,274,289	-97.7%
Investment Income	(599,884)	-	(599,884)	0.0%	(1,164,412)	564,528	-48.5%	996,519	-	996,519	0.0%	(1,733,902)	2,730,421	-157.5%
Other Nonop Inc(Exp)	83,754	50,000	33,754	67.5%	57,550	26,204	45.5%	867,992	400,000	467,992	117.0%	793,479	74,512	9.4%
Interest Expense	(204,722)	(200,000)	(4,722)	2.4%	(197,762)	(6,960)	3.5%	(1,661,059)	(1,600,000)	(61,059)	3.8%	(1,727,805)	66,746	-3.9%
Net Income	819,013	166,486	652,527	391.9%	(3,138,236)	3,957,249	-126.1%	(399,526)	(2,564,605)	2,165,079	-84.4%	(28,545,494)	28,145,968	-98.6%
Bad Debt % of GR	3.6%	0.5%	3.2%	0.8%	0.5%			0.7%	0.5%			0.5%		
Bad Debt % of NR	11.4%	1.3%	10.0%	2.5%	2.5%			2.1%	1.4%			1.5%		
Bad Debt/Charity % of GR	4.0%	1.0%	3.1%	0.4%	0.4%			1.0%	1.0%			1.2%		
Contractual %	-68.1%	-64.4%	-3.7%	-66.7%	-66.7%			-66.2%	-64.9%			-1.3%		-65.6%
Operating Margin	7.5%	1.7%	5.8%	348.3%	-10.8%	18.3%		-0.4%	-0.9%	0.5%		-19.9%	19.48%	-98.1%
Net Margin %	4.0%	0.9%	3.1%	353.3%	-18.5%	22.5%	-121.4%	-0.2%	-1.7%	1.4%	-85.2%	-21.9%	21.66%	-98.9%
Operating EBITDA	2,473,216	1,306,486	1,166,729	89.3%	(812,617)	3,285,833	-404.4%	7,125,151	6,555,395	569,756	8.7%	(19,924,345)	25,049,496	-139.8%
Operating EBITDA %	12.0%	6.9%	5.1%	74.4%	-4.8%	16.8%		4.4%	4.3%	0.1%		-13.8%	18.18%	-132.1%
EBITDA	1,957,086	1,356,486	600,600	44.3%	(1,919,479)	3,876,565	-202.0%	8,989,662	6,955,395	2,034,267	29.2%	(18,864,767)	27,854,429	-147.7%
EBITDA %	9.5%	7.1%	2.3%	32.9%	-11.3%	20.8%		5.6%	4.6%	1.0%	22.5%	-14.5%	20.05%	-138.5%
Discharges	537	507	30	5.9%	452	85	18.8%	4,369	4,267	102	2.4%	3,404	965	28.3%
Patient Days	2,253	2,028	225	11.1%	1,798	455	25.3%	18,474	17,064	1,410	8.3%	14,632	3,842	26.3%
Adjusted Days	5,255	4,724	531	11.2%	4,198	1,057	25.2%	43,074	40,653	2,421	6.0%	33,659	9,416	28.0%
Adjusted Discharges	1,253	1,181	71	6.0%	1,055	197	18.7%	10,187	10,165	21	0.2%	7,830	2,356	30.1%
Per Adjusted Day	4.20	4.00	7.51	1.88	3.98			3.692	3.734	(42)	-1.1%	3,821	(129)	-3.4%
Net Rev Incl BD/APD	3,867	4,003	(137)	-3.4%	3,839	28	0.7%	3,692	3,734	(42)	-1.1%	3,821	(129)	-3.4%
SWB/APD	2,016	2,287	272	11.9%	2,524	(508)	-20.1%	2,065	2,196	131	6.0%	2,625	(559)	-21.3%
Salary/APD	1,567	1,850	283	15.3%	2,031	(464)	-22.8%	1,679	1,782	103	5.8%	2,180	(501)	-23.0%
Supply Cost/APD	636	630	(6)	-1.0%	790	(154)	-19.5%	663	608	(55)	-9.0%	772	(109)	-14.1%
Other Expense/APD	541	570	29	5.1%	626	(84)	-13.5%	569	539	(30)	-5.6%	682	(113)	-16.5%
Per Adjusted Discharge														
Net Rev Incl BD/Adj DC	16,222	16,011	212	1.3%	15,270	952	6.2%	15,613	14,933	680	4.6%	16,425	(811)	-4.9%
SWB/Adj DC	8,458	9,148	690	7.5%	10,039	(1,582)	-15.8%	8,733	8,784	50	0.6%	11,282	(2,549)	-22.6%
Salary/Adj DC	6,576	7,399	823	11.1%	8,079	(1,503)	-18.6%	7,101	7,127	27	0.4%	9,372	(2,271)	-24.2%
Supply Cost/Adj DC	2,668	2,518	(149)	-5.9%	3,143	(475)	-15.1%	2,803	2,433	(370)	-15.2%	3,317	(515)	-15.5%
Other Expense/Adj DC	2,272	2,281	9	0.4%	2,489	(217)	-8.7%	2,407	2,155	(252)	-11.7%	2,931	(524)	-17.9%
Pct of Net Revenue														
SWB	52.1%	57.1%	5.0%	65.7%	13.6%			55.9%	58.8%	2.9%		68.7%	12.8%	
Supplies	16.4%	15.7%	-0.7%	20.6%	4.1%			17.9%	16.3%	-1.7%		20.2%	2.2%	
Other Expense	14.0%	14.2%	0.2%	16.3%	2.3%			15.4%	14.4%	-1.0%		17.8%	2.4%	
FTE's														
Total Salary FTE's	765.85	836.04	70.19	8.4%	855.33	89.49	10.5%	855.30	837.01	(18.29)	-2.2%	839.55	(15.75)	-1.9%
Total Contract FTE's	84.32	62.69	21.63	-34.5%	97.16	12.84	13.2%	99.17	63.81	(35.35)	-55.4%	83.22	(15.94)	-19.2%
Total Facility Paid FTEs	850.17	898.73	48.55	5.4%	952.49	102.32	10.7%	954.46	900.82	(53.65)	-6.0%	922.77	(31.69)	-3.4%
Paid FTE per AOB	4.69	5.52	0.83	15.0%	6.35	1.66	26.2%	5.41	5.41	0.00	0.0%	6.66	1.26	18.8%
Average Hourly Rate	\$ 58.62	\$ 58.85	0.22	0.4%	\$ 55.95	(2.68)	-4.8%	\$ 54.50	\$ 57.84	3.34	5.8%	\$ 57.27	2.77	4.8%
Employed Avg Hourly Rate	\$ 53.42	\$ 46.37	(7.05)	-15.2%	\$ 45.30	(8.13)	-17.9%	\$ 48.15	\$ 45.48	(2.67)	-5.9%	\$ 47.26	(0.89)	-1.9%

Bay Area Hospital

Consolidated Income Statement Trend - February 2024

	2/2023	3/2023	4/2023	5/2023	6/2023	7/2023	8/17/2023	9/14/2023	10/13/2023	11/9/2023	12/7/2023	1/4/2024	2/1/2024
	145	149	147	149	149	150	161	152	153	154	159	159	157
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024
	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD
Gross Patient Revenue													
Inpatient Revenue	20,710,145	21,088,768	20,839,409	19,986,049	20,626,783	22,282,749	23,058,662	23,920,818	25,765,588	25,501,603	26,680,023	27,261,325	27,299,630
Outpatient Revenue	27,644,069	31,028,139	27,750,060	31,943,769	30,899,007	30,674,327	35,035,819	31,012,110	32,586,040	35,656,501	33,530,554	33,807,538	36,378,045
Total Gross Patient Revenue	48,354,214	52,116,907	48,589,469	51,929,818	51,525,790	52,957,076	58,094,481	54,932,928	58,351,628	61,158,104	60,210,577	61,068,863	63,677,674
Deductions	32,435,472	33,072,230	29,566,270	33,282,812	29,963,512	34,400,071	37,710,946	33,490,589	39,809,926	41,397,280	40,352,704	38,532,815	40,803,503
Bad Debt	(405,605)	1,035,073	(262,640)	135,463	(241,594)	625,458	(130,292)	1,337,656	(1,272,295)	149,534	14,632	255,645	2,311,473
Charity	209,505	300,082	332,402	266,039	226,317	77,946	241,923	131,927	181,976	54,946	360,593	310,069	243,227
Total Deductions	32,239,373	34,407,385	29,636,032	33,684,313	29,948,235	35,103,475	37,822,577	34,967,673	38,719,607	41,601,760	40,727,929	39,098,529	43,358,203
Net Healthcare Revenue	16,114,841	17,709,522	18,953,437	18,245,505	21,577,555	17,853,601	20,271,904	19,965,255	19,632,021	19,556,344	19,482,648	21,970,334	20,319,471
Other Oper Revenue	818,583	253,437	203,908	178,159	175,345	174,781	215,641	236,561	236,850	257,021	342,147	321,481	345,339
Total Net Revenue	16,933,424	17,962,959	19,157,345	18,423,663	21,752,901	18,028,382	20,487,545	20,201,816	19,868,871	19,813,365	19,824,795	22,291,815	20,664,810
Expenses	35.0%	34.5%	39.4%	35.5%	42.2%	34.0%	35.3%	36.8%	34.1%	32.4%	32.9%	36.5%	32.5%
Salaries	6,198,810	6,902,484	6,370,387	7,224,173	6,978,563	7,005,968	7,722,158	7,061,385	7,162,219	7,116,440	7,174,841	7,254,813	6,761,158
Contract Labor	2,327,280	2,624,324	2,357,975	1,515,548	2,318,163	1,409,714	1,979,237	2,013,695	1,721,116	2,294,094	1,928,366	2,251,031	1,475,399
Benefits	2,068,817	2,236,208	2,245,163	2,427,019	3,805,555	1,846,065	1,838,697	1,962,588	2,219,463	2,093,108	2,168,894	2,677,522	2,357,269
Physician & Prof Fee	1,425,340	1,365,276	1,646,570	1,702,490	1,688,136	1,424,560	1,290,550	1,769,147	1,815,527	1,691,829	1,514,980	1,599,320	1,478,503
Supplies	3,316,941	3,061,350	3,314,555	3,838,565	4,545,658	3,356,422	3,425,040	3,608,148	3,189,337	4,364,495	3,254,080	4,010,119	3,341,695
Purchased Services	1,192,919	1,232,713	1,528,901	1,783,110	1,670,425	1,459,345	1,174,580	1,663,255	1,538,667	1,511,125	1,502,030	1,664,442	1,406,141
Leases/Rentals	14,397	7,127	10,073	21,397	15,000	19,486	5,132	19,294	15,832	10,575	10,367	13,683	4,496
Depreciation	1,020,995	988,299	972,436	1,150,360	998,274	982,555	985,298	980,279	979,692	978,032	947,867	941,053	933,351
Other Oper Expense	1,201,536	1,384,052	1,451,844	1,407,522	1,441,300	1,362,847	1,455,396	1,562,641	1,360,314	1,471,353	1,778,960	1,580,690	1,366,933
Total Operating Expenses	18,767,036	19,801,833	19,897,905	21,070,183	23,461,075	18,866,962	19,876,088	20,640,103	20,002,167	21,531,052	19,750,385	21,992,673	19,124,946
Net Operating Income	(1,833,612)	(1,838,874)	(740,559)	(2,646,520)	(1,708,174)	(838,581)	611,457	(438,287)	(133,296)	(1,717,687)	74,410	299,142	1,539,865
Investment Income	(1,164,412)	1,063,050	316,012	(348,569)	(388,514)	21,403	(159,061)	(962,170)	(488,294)	1,654,176	1,595,056	(64,707)	(598,884)
Other Nonop Inc(Exp)	57,550	71,775	147,051	134,018	193,689	45,781	205,581	43,457	58,352	93,389	232,272	105,405	83,754
Interest Expense	(197,762)	(206,012)	(200,255)	(204,321)	(197,414)	(202,958)	(201,896)	(195,643)	(207,238)	(215,762)	(214,239)	(218,601)	(204,722)
Net Income	(3,138,236)	(910,061)	(477,752)	(3,065,392)	(2,100,414)	(974,354)	456,081	(1,552,643)	(770,476)	(185,884)	1,687,499	121,238	819,013
Operating Margin %	-10.8%	-10.2%	-3.9%	-14.4%	-7.9%	-4.7%	3.0%	-2.2%	-0.7%	-8.7%	0.4%	1.3%	7.5%
Net Margin %	-18.5%	-5.1%	-2.5%	-16.6%	-9.7%	-5.4%	2.2%	-7.7%	-3.9%	-0.9%	8.5%	0.5%	4.0%
Operating EBIDA	(812,617)	(850,575)	231,877	(1,496,160)	(709,900)	143,974	1,596,755	541,992	846,396	(739,655)	1,022,277	1,240,195	2,473,216
Operating EBIDA %	-4.8%	-4.7%	1.2%	-8.1%	-3.3%	0.8%	7.8%	2.7%	4.3%	-3.7%	5.2%	5.6%	12.0%
EBDITA Margin	-11.3%	1.6%	3.6%	-9.3%	-4.2%	1.2%	8.0%	-1.9%	2.1%	5.1%	14.4%	5.7%	9.5%
Discharges	452	494	478	460	512	490	539	528	568	552	571	584	537
Patient Days	1,798	1,936	1,942	1,760	1,947	1,900	2,157	2,273	2,511	2,355	2,332	2,693	2,253
Adjusted Days	4,198	4,784	4,528	4,573	4,864	4,516	5,434	5,687	5,648	5,648	5,263	6,033	5,255
Adjusted Discharges	1,055	1,221	1,115	1,195	1,279	1,165	1,358	1,213	1,286	1,324	1,289	1,308	1,253
Per Adjusted Day						3.88	4.00	4.30	4.42	4.27	4.08	4.61	4.20
Net Revenue/APD	3,839	3,701	4,186	3,990	4,437	3,954	3,730	3,825	3,452	3,463	3,702	3,642	3,867
Net Rev Incl BD/APD	3,839	3,701	4,186	3,990	4,437	3,954	3,730	3,825	3,452	3,463	3,702	3,642	3,867
SWB/APD	2,524	2,459	2,423	2,442	2,694	2,273	2,124	2,115	1,952	2,037	2,041	2,020	2,016
Salary/APD	2,031	1,991	1,928	1,911	1,911	1,864	1,785	1,739	1,562	1,666	1,730	1,576	1,567
Supply Cost/APD	790	640	732	839	935	743	630	691	561	773	618	665	636
Other Expense/APD	626	575	684	680	643	617	505	638	558	560	626	527	541
Per Adjusted Discharge													
Net Revenue/Adj DC	15,270	14,506	17,006	15,265	16,871	15,331	14,928	16,466	15,262	14,773	15,119	16,794	16,222
Net Rev Incl BD/Adj DC	15,270	14,506	17,006	15,265	16,871	15,331	14,928	16,466	15,262	14,773	15,119	16,794	16,222
SWB/Adj DC	10,039	9,635	9,846	9,343	10,244	8,812	8,498	9,103	8,631	8,690	8,336	9,313	8,458
Salary/Adj DC	8,079	7,804	7,832	7,312	7,269	7,227	7,144	7,484	6,906	7,109	7,064	7,266	6,576
Supply Cost/Adj DC	3,143	2,508	2,974	3,212	3,554	2,882	2,522	2,479	2,397	2,479	2,525	3,065	2,668
Other Expense/Adj DC	2,489	2,252	2,780	2,602	2,447	2,394	2,022	2,748	2,469	2,389	2,556	2,431	2,272
Pct of Net Revenue													
SWB	65.7%	66.4%	57.9%	61.2%	60.7%	57.5%	56.9%	55.3%	56.6%	58.8%	55.1%	55.5%	52.1%
Supplies	20.6%	17.3%	17.5%	21.0%	21.1%	18.8%	16.9%	18.1%	16.2%	22.3%	16.7%	18.3%	16.4%
Other Expense	16.3%	15.5%	16.3%	17.0%	14.5%	15.6%	13.5%	16.7%	16.2%	16.2%	16.9%	14.5%	14.0%
FTE's													
Total Salary FTE's	855.33	849.52	849.15	862.64	872.64	850.08	901.88	843.99	849.64	861.03	865.77	888.80	765.85
Total Contract FTE's	97.16	118.01	101.89	67.50	101.81	64.40	92.97	82.30	91.73	109.33	118.06	148.13	84.32
Total Facility Paid FTE's	952.49	967.52	951.04	930.14	974.46	914.47	994.85	926.29	941.37	970.37	983.84	1,036.93	850.17
Paid FTE per AOB	6.35	6.27	6.30	6.31	6.01	6.28	5.68	5.32	5.13	5.15	5.80	5.33	4.69
Average Hourly Rate	\$ 55.95	\$ 55.59	\$ 53.54	\$ 53.04	\$ 55.65	\$ 51.95	\$ 55.05	\$ 57.15	\$ 53.27	\$ 56.73	\$ 52.38	\$ 51.89	\$ 58.62

Bay Area Hospital
 Compliance Certification
 as of February, 2024

	TTM <u>Jun-23</u>	TTM <u>Sep-23</u>	TTM <u>Dec-23</u>	TTM <u>Jan-24</u>	TTM <u>Feb-24</u>
A&D. Income Available for Debt Service (Quarterly)					
Excess Revenue over Expenses	\$ (35,099,115)	\$ (21,329,204)	\$ (12,940,039)	\$ (10,910,396)	\$ (6,953,147)
Add:					
Interest Expense	\$ 2,535,806	\$ 2,715,478	\$ 2,446,531	\$ 2,462,100	\$ 2,469,060
Depreciation	\$ 12,062,287	\$ 12,021,636	\$ 11,965,125	\$ 11,925,137	\$ 11,837,493
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on extinguishment of debt	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on disposition of assets	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) or Loss on discontinued operations	\$ -	\$ -	\$ -	\$ -	\$ -
Adj. to value of assets or liabilities (accounting adjustments)	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized (Gains) or Loss on marketable securities	\$ 215,664	\$ (207,689)	\$ (1,162,258)	\$ 170,769	\$ (386,307)
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring - Consultant, Severance, and Legal Fees	\$ 1,708,941	\$ 2,974,112	\$ 3,328,489	\$ 3,094,544	\$ 2,985,147
(D.1) Income Available for Debt Service	\$ (18,576,417)	\$ (3,825,668)	\$ 3,637,848	\$ 6,742,154	\$ 9,952,246
(D.2) Line D.1 must not be less than	\$ (25,000,000)	\$ (15,000,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)
(D.3) Borrower is in Compliance For (Yes/No)	Yes	Yes	Yes	Yes	Yes
(A.2) Debt Service Requirements (MADS)	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267	\$ 3,904,267
(A.3) Ratio of Line D.1 to Line A.2	(4.76)	(0.98)	0.93	1.73	2.55
Is Ratio >1.15?	No	No	No	Yes	Yes
B.1 Days Cash on Hand (Monthly)					
Cash & Equivalents	\$ 12,030,483	\$ 13,117,050	\$ 9,470,509	\$ 10,571,511	\$ 13,122,071
Add: Marketable Securities/Board designated Funds	\$ 53,401,226	\$ 48,303,977	\$ 50,938,357	\$ 50,860,844	\$ 50,251,701
Less: Trustee Held funds	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Outstanding Principal on short term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Proceeds from A/R factoring	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Collateral Posting for Interest Rate Agreements	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Outstanding Principal on Put Indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -
Cash & Equivalents	\$ 65,431,709	\$ 61,421,027	\$ 60,408,866	\$ 61,432,355	\$ 63,373,772
B.2 Cash Operating Expenses					
Total Operating Expenses	\$ 240,424,619	\$ 243,196,104	\$ 244,669,983	\$ 245,657,459	\$ 246,015,369
Add: Interest Expenses	\$ 2,535,806	\$ 2,715,478	\$ 2,446,531	\$ 2,462,100	\$ 2,469,060
Less: Depreciation & Amortization	\$ 12,062,287	\$ 12,021,636	\$ 11,965,125	\$ 11,925,137	\$ 11,837,493
Less: Non-cash expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Losses on refinancing debt	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Provision for uncollectable accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Operating Expenses	\$ 230,898,139	\$ 233,889,947	\$ 235,151,388	\$ 236,194,422	\$ 236,646,936
B.3 Line B2 divided by B35	\$ 632,598	\$ 640,794	\$ 644,250	\$ 647,108	\$ 648,348
B.4 Ratio of Line B.1 to Line B3	103	96	94	95	98
B.5 Line B.4 must not be less than	75	70	70	70	70
B.6 Borrower is in Compliance (Yes/No)	N/A	Yes	Yes	Yes	Yes
C.1 Unrestricted Liquid Funds (Monthly)					
Cash & Equivalents	\$ 12,030,483	\$ 13,117,050	\$ 9,470,509	\$ 10,571,511	\$ 13,122,071
Add: Marketable Securities/Board designated Funds	\$ 53,401,226	\$ 48,303,977	\$ 50,938,357	\$ 50,860,844	\$ 50,251,701
Unrestricted Liquid Funds	\$ 65,431,709	\$ 61,421,027	\$ 60,408,866	\$ 61,432,355	\$ 63,373,772
C.2 Line C.1 must not be less than	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000
C.3 Borrower is in Compliance (Yes/No)	N/A	Yes	Yes	Yes	Yes

Signature of Bay Area Hospital:

Name: Mary Lou Tate

Title: CFO

Date: 03/17/2024