



Executive Summary

Finance Committee

Held April 23, 2024

Capital Purchase Requests reviewed:

- Threshold: None
- Non-Threshold:
 - Labor Lights – Family Birth Center
 - Stretchers – Emergency Room
 - Dicom Router – Imaging
 - Breast Biopsy Vacuum Assist Device – Mammography
 - Ultrasound - ICU

Discussion Items

- Received a market update and transition information from Graystone – financial advisor for board designated funds
- High level FY25 Operating budget assumptions were reviewed
- Initial review of FY25 Capital budget was discussed
- Hospital is in compliance with all Bank Ratios for Trailing 12 months ending 03/30/24

Financial Results:

- See attached Narrative and financials
 - March 2024 Operating Loss was \$1.73 Million vs a budget profit of \$212 Thousand
 - Year to date \$2.3 Million Loss vs budget loss of \$1.15 Million
 - March 2024 Overall Loss at \$1.4 Million due to market loss on investments
 - Year to date \$1.8 Million Loss vs budget of \$2.5 Million Loss
 - March 2024 Operating EBIDA – \$800 Thousand Loss
 - Year to date \$6.3 Million Profit
 - March 2024 Cash and Cash equivalents balance is \$56.1 million, down \$4.3 Million from last month and down \$9.3 Million from June 2023.

Executive Summary:

- None

Next meeting:

Next Meeting – May 28, 2024



Month End Financial Narrative
For month ending March 31, 2024

Overall, Bay Area hospital lost \$1.4M in March vs. budgeted income of \$62K and last year's loss of \$910K. Gross Revenue for March was strong ending at \$60.9M overall, \$4.2M ahead of budget. Net Revenue ended the month with a Net to Gross Revenue Margin of 32.7% or \$332K below budget. This margin reflects a 1.3% decline in Commercial Payer volumes FYD24 vs. FYD23. The month of March is showing a 3.3% lower margin in Commercial Payers than FYD23. That decline is offset by a 3.35% increase in Medicare Advantage.

Actual operating expenses were over budget by \$1.6M. Supply expense was \$1.3M over budget for the month. Supply expenses are higher in support of additional volumes. On a flex basis, based on actual volumes, expense spending is in line with volumes and showing a favorable variance. Pharmacy costs have been running high all year supporting the Medical Oncology service line. In addition, OR Supply costs are up with the ramp up of the Orthopedic service line. Overall, Net Income for the month was below budget \$1.5M. Below is a breakdown of the financials.

Bay Area Hospital										
Consolidated Income Statement - March 2024										
	Month to Date					Year to Date				
	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Prior Year</i>	<i>Variance</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Prior Year</i>	<i>Variance</i>
Total Gross Patient Revenue	60,926,717	56,740,770	4,185,947	52,116,907	8,809,810	531,378,048	489,576,997	41,801,051	425,622,798	105,755,249
Total Deductions	41,266,331	36,610,622	(4,655,709)	34,407,385	(6,858,946)	352,666,084	317,644,351	(35,021,733)	279,302,667	(73,363,417)
Other Oper Revenue	264,729	126,719	138,010	253,437	11,291	2,394,548	1,140,471	1,254,077	1,959,186	435,362
Total Net Revenue	19,925,114	20,256,867	(331,753)	17,962,959	1,962,155	181,106,512	173,073,117	8,033,395	148,279,318	32,827,194
Net to Gross Ratio	32.7%	35.7%		34.5%		34.1%	35.4%		34.8%	
Total Operating Expenses	21,652,295	20,044,665	(1,607,630)	19,801,833	(1,850,462)	183,436,671	174,225,520	(9,211,151)	175,995,459	(7,441,212)
						6.21%				
Net Operating Income	(1,727,181)	212,202	(1,939,383)	(1,838,874)	111,694	(2,330,158)	(1,152,403)	(1,177,755)	(27,716,141)	25,385,982
Net Income	(1,400,033)	62,202	(1,462,235)	(910,061)	(489,972)	(1,799,559)	(2,502,403)	702,844	(29,455,556)	27,655,997

VOLUMES

Inpatient Discharge

- For the month, Inpatient discharges were 25 patients ahead of budget (567 vs. 542) and 73 above last year (494). The largest increase from last year was Cardiology patients followed by Gastrointestinal Disease and Neurology patients.
- Year to date we remain above budget and above last year (4,927 vs. 4,809 budgeted vs. 3,898 last year).

ED Visits

- ED visits were above budget for the month and above last year (2,334 visits this month vs. 2,155 budgeted vs. 2,140 last year). ED volumes have increased over last year. The percentage of Acute Admits from the ED dipped in March to 68.7% down from the year-to-date average of 73.1%. Chief complaints includes Shortness of Breath, Nausea/Vomiting and Chest Pain.
- Patients leaving without being seen (LWBS) fell to .30% in March. Anything under 2% is considered best practice.
- YTD visits show 20,115 vs. 19,115 budgeted vs. last year-to-date of 18,807.



Month End Financial Narrative
For month ending March 31, 2024

Cardiac Cath Cases

- This month there were 122 Cath Lab cases vs. budget of 105 and last year same month 112. Cath Lab volumes remain strong and were at the highest level we have seen since April 2022.
- Year -to date we had 936 cases vs. a budget of 932 and a prior year actual of 859.

Imaging

- Up over the same month last year by 625 billed procedures (7,804 vs. 7,178), 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 18% ahead of last year (67,374 vs. 57,109).

REVENUES

Gross Revenues

- March's Gross Revenues were ahead of budget \$4.2M or 7.4% and over last year \$8.8M or 16.9%. Compared to budget, Inpatient Gross Revenues were \$690K ahead of budget and \$4.0M above last year. Outpatient Revenues were \$3.5M over Budget and \$4.9M ahead of last year.
- Emergency Room, Inpatient Nursing Units, Imaging, Pharmacy, 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 \$4.2M favorable variance \$4.4M was due to higher volumes with an offset or unfavorable rate variance of \$234K. The Gross Revenue budget for March was \$11,231 per adjusted patient day and actual was \$11,115. Average Length of Stay during March was 3.97 days vs. a budget of 4. Year to date remains higher at 4.21 days.

Deductions from Revenue

- As a %, Deductions from Revenue were higher than budget at 67.3% vs. 64.3% (32.7% and 35.7% revenue realization rates). FY22 deductions rate was 65.5% or 34.5% revenue realization rate. Trends show collection rates gradually improving over the past 12 months. However, we are also showing a significant decline in Commercial payer rates with a shift to Medicare. In addition, the budget assumed renegotiation of all payer contracts would be complete by October 2023; however, most re-negotiated contracts did not become effective until January or February 2024. Net healthcare revenue was unfavorable to budget \$470K for the month.
- Year to Year Commercial payors have decreased from 15.9% last year to 14.6% this year - a decline of 1.3%. We see the corresponding increase in the Other Payers bucket, primarily in Tricare/VA. Medicare and Medicare Advantage are even from last year, 41.2% vs 39.3% this year and 14.5% vs 16.4% this year, respectively (combined total of 55.7 % vs 55.7% last year), Medicaid is close to even year to year at 20.8% this year compared to 20.9% last year. For the month Commercial patients were only 12.4% of the payor mix.



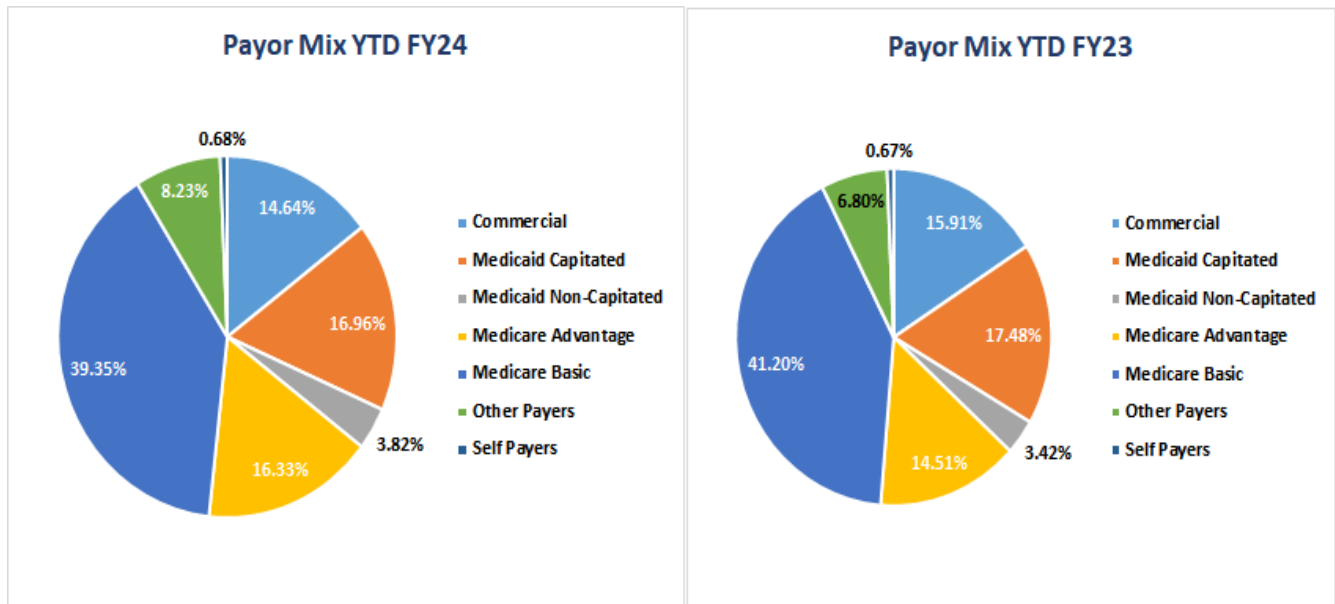
Month End Financial Narrative
For month ending March 31, 2024

Other Revenues

- Current month actuals were \$265K vs \$127K budget vs \$253K last year. We received \$158K in payments for 340B retail scripts filled. Last year we received \$104K in 340B retail scripts during March 2023.
- YTD \$2.4M actual vs \$1.1M budget vs \$2.0M last year. The 340B Contract Pharmacy program is the largest driver of the increase. Year to date 340B Contract Pharmacy revenue totals \$1.1M. Cafeteria and Espresso Shop sales total \$815K YTD.

Net Revenue

- Net Revenue for the month was below budget by \$332K and ahead of last year by \$2.0M (Actual of \$19.9M vs. Budget of \$20.2M vs. Last Year of \$17.9M).
- Year-to-date Net Revenues are \$8.0M ahead of budget and \$32.8M ahead of last year (Actual of \$181.1M vs. Budget of \$173.1M vs. Last Year of \$148.3M).



EXPENSES

Salaries

- Salaries were 7.1% over budget and 7.2% over last year (Actual \$7.4M vs Budget \$6.9M vs Last Year \$6.9M). We continue to hire staff and reduce our reliance on Contract labor. Patient volumes remain strong and ahead of budget. The actual rate (Including Contract Labor) per Adjusted Patient Day of \$1,704 is below the budgeted rate of \$1,867 per Adjusted Patient Day.
- Year to date salaries were \$4.8M over budget and \$2.7M over last year (\$64.7M vs \$59.8M vs \$62.0M). YTD the actual rate per Adjusted Patient Day (Including Contract Labor) is lower than budget and lower than prior year (\$1,682 vs \$1,792 budget vs \$2,157 prior year) due to lower Contract Labor Rates.



Month End Financial Narrative
For month ending March 31, 2024

Contract labor

- Below budget \$506K (\$2.0M vs \$2.5M). Compared to last year, contract labor costs are down \$612K. 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 \$364 is below the budgeted rate of \$498 per Adjusted Patient Day.
- Year to date Contract labor is below budget \$5.0M and lower than last year (\$17.1M vs. \$22.0M vs. \$20.9M).

Benefits

- Overall Benefits expense for the month of March was \$1K unfavorable to budget and \$26K favorable to last year (\$2.2M actual vs \$2.2M budget and \$2.2M last year).
- Year-to-date benefits are \$204K favorable to budget (\$18.8M vs. \$19.0M) and \$1.6M over last year's spend (\$17.2M).
- Overall, Salary/Wages/Benefits/Contract labor per Adjusted Patient Day for the month is \$2,104 vs a budget of \$2,304 and last year of \$2,459. The YTD amounts are \$2,070 actual vs \$2,208 budget and \$2,604 prior year.

Physician and Pro-fees

- Over budget \$21K and \$137 unfavorable to last year for the month (\$1.5M actual vs. 1.5M 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 (\$14.1M actual vs. \$12.9M budget and \$13.7M last year) for the same reasons as the MTD variance.

Supplies

- Current month actual spend was \$1.3M unfavorable to budget and \$1.4M unfavorable to prior year (\$4.5M actual vs. \$3.2M budget vs. \$3.1M last year). Pharmacy (Oncology drugs), Cath Lab (Device Implants), OR (Orthopedic Implants) and Lab continue as the areas with the largest dollar spend.
- Year-to-Date spend is over budget \$5.1M and \$4.0M over last year (\$33.0M actual vs \$27.9M budget and \$29.0M last year. YTD Drug expense as % of Gross Revenues is 3.0% this year vs 2.9% 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 March 31, 2024

Purchased Services

- \$332K unfavorable to budget for the month and \$421K unfavorable to last year (\$1.7M actual vs. \$1.3M budget vs. \$1.2M last year). Current month activity includes an increase for St. Charles EPIC Contract support (\$150K), management fees for Behavioral health (\$49K), and Revenue Cycle purchase services (\$62K)
- Year-to-date we were \$2.1M unfavorable to budget and \$1.6M unfavorable to the prior year (\$13.6M vs. \$11.4M budget and \$12.0M last year). \$534K is due to IT Purchased Services, \$474K due to Revenue Cycle, and \$378K Imaging Services

Lease/Rentals

- Over budget and over prior year (\$37K actual vs. \$26K budget and \$7K last year) primarily due to copier lease costs.
- YTD is \$92K favorable to budget due to overall reduction in lease rental costs (\$135.9K actual vs. \$228.4K budget and \$182.9K last year).

Depreciation

- Slightly below budget for the month by \$63K and slightly under last year (\$927K vs \$990K budget and \$988K last year).
- Year-to-date is similar (\$8.7M actual vs. \$8.9M budget and \$8.9M last year).

Other Operating expense

- Over budget by \$66K (\$1.5M Actual vs \$1.4M Budget and \$1.4M last year). The unfavorable variance in provider tax expense was offset by a drop in utilities costs. We continue to pay more in provider tax expense month to month.
- Year-to-date we are over budget as well and over last year due to Provider Tax costs (\$13.4M actual vs. \$11.9M budget and \$12.0M last year).

Bay Area Hospital

Consolidated Income Statement - March 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	25,042,052	24,352,262	689,790	2.8%	21,088,768	3,953,284	18.7%	226,812,450	206,037,882	20,774,568	10.1%	183,458,373	43,354,076	23.6%
Outpatient Revenue	35,884,664	32,388,508	3,496,156	10.8%	31,028,139	4,856,526	15.7%	304,565,598	283,539,115	21,026,483	7.4%	242,164,425	62,401,173	25.8%
Total Gross Patient Revenue	60,926,717	56,740,770	4,185,947	7.4%	52,116,907	8,809,810	16.9%	531,378,048	489,576,997	41,801,051	8.5%	425,622,798	105,755,249	24.8%
Deductions	39,937,504	36,068,623	(3,868,881)	-10.7%	33,072,230	(6,865,274)	-20.8%	346,435,337	312,898,373	(33,536,964)	-10.7%	273,640,729	(72,974,608)	-26.7%
Bad Debt	996,281	271,000	(725,282)	-267.6%	1,035,073	38,792	3.7%	4,288,093	2,372,989	(1,915,105)	-80.7%	2,966,337	(1,321,756)	-44.6%
Charity	332,546	271,000	(61,546)	-22.7%	300,082	(32,464)	-10.8%	1,942,653	2,372,989	430,335	18.1%	2,875,600	932,947	32.4%
Total Deductions	41,266,331	36,610,622	(4,655,709)	-12.7%	34,407,385	(6,858,964)	-19.9%	352,666,084	317,644,351	(35,021,733)	-11.0%	279,302,667	(73,363,417)	-26.3%
Net Healthcare Revenue	19,660,386	20,130,148	(469,762)	-2.3%	17,709,522	1,950,864	11.0%	178,711,964	171,932,646	6,779,318	3.9%	146,320,132	32,391,832	22.1%
Other Oper Revenue	264,729	126,719	138,010	108.9%	253,437	11,291	4.5%	2,394,548	1,140,471	1,254,077	110.0%	1,959,186	435,362	22.2%
Total Net Revenue	19,925,114	20,256,867	(331,753)	-1.6%	17,962,959	1,962,155	10.9%	181,106,512	173,073,117	8,033,395	4.6%	148,279,318	32,827,194	22.1%
Net to Gross Ratio	32.7%	35.7%			34.5%			34.1%	35.4%			34.8%		
Salaries	7,401,124	6,912,751	(488,373)	-7.1%	6,902,484	(498,640)	-7.2%	64,660,106	59,845,423	(4,814,683)	-8.0%	61,995,241	(2,664,866)	-4.3%
Contract Labor	2,012,359	2,517,910	505,551	20.1%	2,624,324	611,965	23.3%	17,085,010	22,035,317	4,950,307	22.5%	20,914,976	3,829,965	18.3%
Benefits	2,210,377	2,209,143	(1,233)	-0.1%	2,236,208	25,831	1.2%	18,843,652	19,047,235	203,583	1.1%	17,198,535	(1,645,117)	-9.6%
Physician & Prof Fee	1,502,061	1,481,481	(20,580)	-1.4%	1,365,276	(136,785)	-10.0%	14,086,476	12,895,087	(1,191,389)	-9.2%	13,676,318	(410,158)	-3.0%
Supplies	4,451,107	3,194,308	(1,256,799)	-39.3%	3,061,350	(1,389,757)	-45.4%	33,000,443	27,922,892	(5,077,551)	-18.2%	29,038,214	(3,962,229)	-13.6%
Purchased Services	1,653,508	1,321,090	(332,418)	-25.2%	1,232,713	(420,795)	-34.1%	13,573,094	11,454,446	(2,118,648)	-18.5%	12,020,742	(1,552,352)	-12.9%
Leases/Rentals	37,038	25,933	(11,105)	-42.8%	7,127	(29,911)	-419.7%	135,904	228,389	92,484	40.5%	182,896	46,991	25.7%
Depreciation	926,545	990,000	63,455	6.4%	988,299	61,754	6.2%	8,654,674	8,910,000	255,326	2.9%	8,941,221	286,547	3.2%
Other Oper Expense	1,458,176	1,392,048	(66,128)	-4.8%	1,384,052	(74,123)	-5.4%	13,397,311	11,886,731	(1,510,581)	-12.7%	12,027,318	(1,369,993)	-11.4%
Total Operating Expenses	21,652,295	20,044,665	(1,607,630)	-8.0%	19,801,833	(1,850,462)	-9.3%	183,436,671	174,225,520	(9,211,151)	-5.3%	175,995,459	(7,441,212)	-4.2%
Net Operating Income	(1,727,181)	212,202	(1,939,383)	-913.9%	(1,838,874)	111,694	-6.1%	(2,330,158)	(1,152,403)	(1,177,755)	102.2%	(27,716,141)	25,385,982	-91.6%
Investment Income	338,536	-	338,536	0.0%	1,063,050	(724,514)	-68.2%	1,335,055	-	1,335,055	0.0%	(670,852)	2,005,906	-299.0%
Other Nonop Inc(Exp)	205,419	50,000	155,419	310.8%	71,775	133,645	186.2%	1,073,411	450,000	623,411	138.5%	865,254	208,157	24.1%
Interest Expense	(216,807)	(200,000)	(16,807)	8.4%	(206,012)	(10,795)	5.2%	(1,877,866)	(1,800,000)	(77,866)	4.3%	(1,933,817)	55,951	-2.9%
Net Income	(1,400,033)	62,202	(1,462,235)	-2350.8%	(910,061)	(489,972)	53.8%	(1,799,559)	(2,502,403)	702,844	-28.1%	(29,455,556)	27,655,997	-93.9%
Bad Debt % of GR	1.6%	0.5%	1.2%	2.0%	0.5%	0.5%	0.3%	0.8%	0.3%	0.5%	0.7%	0.7%	0.7%	0.7%
Bad Debt % of NR	5.1%	1.3%	3.7%	5.8%	5.8%	2.4%	1.4%	2.4%	1.4%	1.0%	2.0%	1.4%	1.4%	1.4%
Bad Debt/Charity % of GR	2.2%	1.0%	1.2%	2.6%	2.6%	1.2%	1.0%	1.2%	1.0%	0.2%	1.4%	1.4%	1.4%	1.4%
Contractual %	-67.7%	-64.5%	-3.2%	-66.0%	-66.0%	-66.4%	-64.9%	-66.4%	-64.9%	-1.5%	-65.6%	-65.6%	-65.6%	-65.6%
Operating Margin	-8.7%	1.0%	-9.7%	-927.5%	-10.2%	1.6%	-1.3%	-0.7%	-0.6%	93.2%	-18.7%	17.41%	-93.1%	-93.1%
Net Margin %	-7.0%	0.3%	-7.3%	-2388.2%	-5.1%	-2.0%	38.7%	-1.0%	-1.4%	0.5%	-31.3%	-19.9%	18.87%	-95.0%
Operating EBIDTA	(800,636)	1,202,202	(2,002,838)	-166.6%	(850,575)	49,940	-5.9%	6,324,515	7,757,597	(1,433,082)	-18.5%	(18,774,920)	25,099,436	-133.7%
Operating EBIDTA %	-4.0%	5.9%	-10.0%	-167.7%	-4.7%	0.7%	3.5%	4.5%	-1.0%	-22.1%	-12.7%	16.15%	-127.6%	-127.6%
EBIDTA	(256,681)	1,252,202	(1,508,883)	-120.5%	284,249	(540,930)	-190.3%	8,732,981	8,207,597	525,384	6.4%	(18,580,518)	27,313,499	-147.0%
EBIDTA %	-1.3%	6.2%	-7.5%	-120.8%	1.6%	-2.9%	4.8%	4.7%	0.1%	1.7%	-12.5%	17.35%	-138.5%	-138.5%
Discharges	567	542	25	4.6%	494	73	14.8%	4,927	4,809	118	2.5%	3,898	1,029	26.4%
Patient Days	2,253	2,168	85	3.9%	1,936	317	16.4%	20,727	19,233	1,494	7.8%	16,568	4,159	25.1%
Adjusted Days	5,481	5,052	429	8.5%	4,784	697	14.6%	48,559	45,700	2,859	6.3%	38,438	10,122	26.3%
Adjusted Discharges	1,379	1,263	117	9.2%	1,221	159	13.0%	11,543	11,427	116	1.0%	9,043	2,500	27.6%
Per Adjusted Day	3.97	4.00	3.38	0.85	3.92									
Net Rev Incl BD/APD	3,587	3,984	(398)	-10.0%	3,701	(115)	-3.1%	3,680	3,762	(82)	-2.2%	3,807	(126)	-3.3%
SWB/APD	2,121	2,304	183	8.0%	2,459	(338)	-13.7%	2,071	2,208	137	6.2%	2,604	(533)	-20.5%
Salary/APD	1,717	1,867	149	8.0%	1,991	(274)	-13.8%	1,683	1,792	108	6.0%	2,157	(474)	-22.0%
Supply Cost/APD	812	632	(180)	-28.4%	640	172	26.9%	680	611	(69)	-11.2%	755	(76)	-10.0%
Other Expense/APD	540	569	29	5.0%	575	(35)	-6.0%	566	542	(24)	-4.4%	669	(103)	-15.4%
Per Adjusted Discharge														
Net Rev Incl BD/Adj DC	14,252	15,940	(1,688)	-10.6%	14,506	(254)	-1.8%	15,482	15,046	436	2.9%	16,180	(698)	-4.3%
SWB/Adj DC	8,426	9,217	791	8.6%	9,635	(1,209)	-12.5%	8,714	8,832	118	1.3%	11,070	(2,356)	-21.3%
Salary/Adj DC	6,824	7,468	644	8.6%	7,804	(980)	-12.6%	7,082	7,166	84	1.2%	9,168	(2,086)	-22.8%
Supply Cost/Adj DC	3,227	2,529	(697)	-27.6%	2,508	719	28.7%	2,859	2,444	(415)	-17.0%	3,211	(352)	-11.0%
Other Expense/Adj DC	2,146	2,275	130	5.7%	2,252	(106)	-4.7%	2,381	2,169	(212)	-9.8%	2,842	(461)	-16.2%
Pct of Net Revenue														
SWB	59.1%	57.8%	-1.3%	66.4%	7.3%	56.3%	58.7%	2.4%	68.4%	12.1%	68.4%	12.1%	12.1%	12.1%
Supplies	22.6%	15.9%	-6.8%	17.3%	-5.4%	18.5%	16.2%	-2.2%	19.8%	1.4%	19.8%	1.4%	1.4%	1.4%
Other Expense	15.1%	14.3%	-0.8%	15.5%	0.5%	15.4%	14.4%	-1.0%	17.6%	2.2%	17.6%	2.2%	2.2%	2.2%
FTE's														
Total Salary FTE's	887.08	842.09	(44.99)	-5.3%	849.52	(37.56)	-4.4%	858.88	837.58	(21.30)	-2.5%	840.68	(18.20)	-2.2%
Total Contract FTE's	88.54	62.38	26.17	42.0%	118.01	29.46	25.0%	97.97	63.65	(34.32)	-53.9%	87.16	(10.81)	-12.4%
Total Facility Paid FTEs	975.62	904.47	(71.15)	-7.9%	967.52	(8.10)	-0.8%	956.85	901.23	(55.62)	-6.2%	927.84	(29.01)	-3.1%
Paid FTE per AOB	5.52	5.55	0.03	0.6%	6.27	0.75	12.0%	5.42	5.42	0.00	0.1%	6.61	1.20	18.1%
Average Hourly Rate	\$ 54.62	\$ 59.02	4.40	7.5%	\$ 55.59	0.97	1.7%	\$ 54.51	\$ 57.98	3.46	6.0%	\$ 57.07	2.56	4.5%
Employed Avg Hourly Rate	\$ 47.23	\$ 46.47	(0.76)	-1.6%	\$ 45.87	(1.36)	-3.0%	\$ 48.04	\$ 45.59	(2.45)	-5.4%	\$ 47.10	(0.94)	-2.0%

Bay Area Hospital

Consolidated Income Statement Trend - March 2024

	3/2023	4/2023	5/2023	6/23/2023	7/21/2023	8/18/2023	9/15/2023	10/13/2023	11/10/2023	12/8/2023	1/5/2024	2/2/2024	3/1/2024
	148	147	148	149	150	151	152	153	154	155	156	157	158
	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024	2024
	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD	FebMTD	MarMTD
Gross Patient Revenue													
Inpatient Revenue	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	25,042,052
Outpatient Revenue	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	35,884,664
Total Gross Patient Revenue	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	60,926,717
Deductions	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	39,937,504
Bad Debt	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	996,281
Charity	300,082	332,402	266,039	226,317	77,946	241,923	139,427	181,976	54,946	360,593	310,069	243,227	332,546
Total Deductions	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	41,266,331
Net Healthcare Revenue	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	19,660,386
Other Oper Revenue	253,437	203,908	178,159	175,345	174,781	215,641	236,561	236,850	257,021	342,147	321,481	345,339	264,729
Total Net Revenue	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	19,925,114
Expenses													
Salaries	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	7,401,124
Contract Labor	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	2,012,359
Benefits	2,236,208	2,245,163	2,427,019	3,805,555	1,846,065	1,838,697	1,962,258	2,219,463	2,093,108	1,638,894	2,677,522	2,357,269	2,210,377
Physician & Prof Fee	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	1,502,061
Supplies	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	4,451,107
Purchased Services	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	1,653,508
Leases/Rentals	7,127	10,073	21,397	15,000	19,486	5,132	19,294	15,832	10,575	10,367	13,683	4,496	37,038
Depreciation	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	926,545
Other Oper Expense	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	1,458,176
Total Operating Expenses	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	21,652,295
Net Operating Income	(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	(1,727,181)
Investment Income	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)	(599,884)	338,536
Other Nonop Inc(Exp)	71,775	147,051	134,018	193,689	45,781	205,581	43,457	58,352	93,389	232,272	105,405	83,754	205,419
Interest Expense	(206,012)	(200,255)	(204,321)	(197,414)	(202,958)	(201,896)	(195,643)	(207,238)	(215,762)	(214,239)	(218,601)	(204,722)	(216,807)
Net Income	(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	(1,400,033)
Operating Margin %	-10.2%	-3.9%	-14.4%	-7.9%	-4.7%	3.0%	-2.2%	-0.7%	-8.7%	0.4%	1.3%	7.5%	-8.7%
Net Margin %	-5.1%	-2.5%	-16.6%	-9.7%	-5.4%	2.2%	-7.7%	-3.9%	-0.9%	8.5%	0.5%	4.0%	-7.0%
Operating EBIDA	(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	(800,636)
Operating EBIDA %	-4.7%	1.2%	-8.1%	-3.3%	0.8%	7.8%	2.7%	4.3%	-3.7%	5.2%	5.6%	12.0%	-4.0%
EBDITA Margin	1.6%	3.6%	-9.3%	-4.2%	1.2%	8.0%	-1.9%	2.1%	5.1%	14.4%	5.7%	9.5%	-1.3%
Discharges	494	478	460	512	490	539	528	568	552	497	571	580	532
Patient Days	1,936	1,942	1,760	1,947	1,900	2,157	2,273	2,511	2,355	2,332	2,693	2,253	2,253
Adjusted Days	4,784	4,528	4,573	4,864	4,516	5,434	5,220	5,687	5,648	5,263	6,033	5,255	5,481
Adjusted Discharges	1,221	1,115	1,195	1,279	1,165	1,358	1,213	1,286	1,324	1,289	1,299	1,241	1,379
Per Adjusted Day						4.00	4.30	4.42	4.27	4.08	4.64	4.23	3.97
Net Revenue/APD	3,701	4,186	3,990	4,437	3,954	3,730	3,825	3,452	3,463	3,702	3,642	3,867	3,587
Net Rev Incl BD/APD	3,701	4,186	3,990	4,437	3,954	3,730	3,825	3,452	3,463	3,702	3,642	3,867	3,587
SWB/APD	2,459	2,423	2,442	2,694	2,273	2,124	2,115	1,952	2,037	2,041	2,020	2,016	2,121
Salary/APD	1,991	1,928	1,911	1,911	1,864	1,785	1,739	1,562	1,666	1,701	1,576	1,567	1,717
Supply Cost/APD	640	732	839	935	743	630	691	561	773	618	665	636	812
Other Expense/APD	575	684	680	643	617	505	638	558	560	626	527	541	540
Per Adjusted Discharge													
Net Revenue/Adj DC	14,506	17,006	15,265	16,871	15,331	14,928	16,466	15,262	14,773	15,119	16,910	16,375	14,252
Net Rev Incl BD/Adj DC	14,506	17,006	15,265	16,871	15,331	14,928	16,466	15,262	14,773	15,119	16,910	16,375	14,252
SWB/Adj DC	9,635	9,846	9,343	10,244	8,812	8,498	9,103	8,631	8,690	8,336	9,377	8,537	8,426
Salary/Adj DC	7,804	7,832	7,312	7,269	7,227	7,144	7,484	6,906	7,109	7,064	7,316	6,637	6,824
Supply Cost/Adj DC	2,508	2,974	3,212	3,554	2,882	2,522	2,976	2,525	3,297	2,525	3,086	2,693	3,227
Other Expense/Adj DC	2,252	2,780	2,602	2,447	2,394	2,022	2,748	2,469	2,389	2,556	2,448	2,293	2,146
Pct of Net Revenue													
SWB	66.4%	57.9%	61.2%	60.7%	57.5%	56.9%	55.3%	56.6%	58.8%	55.1%	55.5%	52.1%	59.1%
Supplies	17.3%	17.5%	21.0%	21.1%	18.8%	16.9%	18.1%	16.2%	22.3%	16.7%	18.3%	16.4%	22.6%
Other Expense	15.5%	16.3%	17.0%	14.5%	15.6%	13.5%	16.7%	16.2%	16.2%	16.9%	14.5%	14.0%	15.1%
FTE's													
Total Salary FTE's	849.52	849.15	862.64	872.64	850.08	901.88	843.99	849.64	858.68	865.77	888.80	765.85	887.08
Total Contract FTE's	118.01	101.89	67.50	101.81	64.40	92.97	82.30	91.73	109.03	118.06	148.13	84.32	88.54
Total Facility Paid FTE's	967.52	951.04	930.14	974.46	914.47	994.85	926.29	941.37	967.71	983.84	1,036.93	850.17	975.62
Paid FTE per AOB	6.27	6.30	6.31	6.01	6.28	5.68	5.32	5.13	5.14	5.80	5.33	4.69	5.52
Average Hourly Rate	\$ 55.59	\$ 53.54	\$ 53.04	\$ 55.65	\$ 51.95	\$ 55.05	\$ 57.15	\$ 53.27	\$ 56.73	\$ 52.38	\$ 51.89	\$ 58.62	\$ 54.62

**Bay Area Hospital
Compliance Certification
as of March, 2024**

	TTM <u>Jun-23</u>	TTM <u>Sep-23</u>	TTM <u>Dec-23</u>	TTM <u>Mar-24</u>
A&D. Income Available for Debt Service (Quarterly)				
Excess Revenue over Expenses	\$ (35,099,115)	\$ (21,329,204)	\$ (12,940,039)	\$ (7,443,119)
Add:				
Interest Expense	\$ 2,535,806	\$ 2,715,478	\$ 2,446,531	\$ 2,479,855
Depreciation	\$ 12,062,287	\$ 12,021,636	\$ 11,965,125	\$ 11,775,739
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)	\$ (1,597,199)
(Gains) or Losses - M2M derivatives	\$ -	\$ -	\$ -	\$ -
Non-recurring - Consultant, Severance, and Legal Fees	\$ 1,708,941	\$ 2,974,112	\$ 3,328,489	\$ 4,754,999
(D.1) Income Available for Debt Service	\$ (18,576,417)	\$ (3,825,668)	\$ 3,637,848	\$ 9,970,275
(A.2) Debt Service Requirements (MADS)	\$ 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	2.55
(D.2) Line D.1 must not be less than	\$ (25,000,000)	\$ (15,000,000)	\$ (5,000,000)	\$ 2,000,000
(D.3) Borrower is in Compliance (Yes/No)	Yes	Yes	Yes	Yes
B.1 Days Cash on Hand (Monthly)				
Cash & Equivalents	\$ 12,030,483	\$ 13,117,050	\$ 9,470,509	\$ 5,514,827
Add: Marketable Securities/Board designated Funds	\$ 53,401,226	\$ 48,303,977	\$ 50,938,357	\$ 50,606,776
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	\$ 56,121,603
B.2 Cash Operating Expenses				
Total Operating Expenses	\$ 240,424,619	\$ 243,196,104	\$ 244,669,983	\$ 247,821,730
Add: Interest Expenses	\$ 2,535,806	\$ 2,715,478	\$ 2,446,531	\$ 2,479,855
Less: Depreciation & Amortization	\$ 12,062,287	\$ 12,021,636	\$ 11,965,125	\$ 11,775,739
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	\$ 238,525,846
B.3 Line B2 divided by 365	\$ 632,598	\$ 640,794	\$ 644,250	\$ 653,495
B.4 Ratio of Line B.1 to Line B3	103	96	94	86
B.5 Line B.4 must not be less than	75	70	70	70
B.6 Borrower is in Compliance (Yes/No)	N/A	Yes	Yes	Yes
C.1 Unrestricted Liquid Funds (Monthly)				
Cash & Equivalents	\$ 12,030,483	\$ 13,117,050	\$ 9,470,509	\$ 5,514,827
Add: Marketable Securities/Board designated Funds	\$ 53,401,226	\$ 48,303,977	\$ 50,938,357	\$ 50,606,776
Unrestricted Liquid Funds	\$ 65,431,709	\$ 61,421,027	\$ 60,408,866	\$ 56,121,603
C.2 Line C.1 must not be less than	\$ 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
Signature of Bay Area Hospital:				
Name: <u>Mary Su Lato</u>				
Title: <u>CFO</u>				
Date: <u>04/17/24</u>				