



Executive Summary

Finance Committee

Held February 28, 2023

Capital Purchase Requests reviewed:

- Threshold:
 - None
- Non-Threshold:
 - None

Discussion Items

- Financial Audit RFP responses were discussed. Two of the four companies invited to participate sent in submissions. Moss Adams was awarded the 3 year contract.
- Financial recovery
 - Review of the 13 week cash flow projections both January and February were positive cash flow months, March and April have large non-recurring expenses anticipated.
 - Update on ECG work and a summary of the meeting with ECG, management and Bank of the West. BOW was asked for a 12 month forbearance period.
 - Update was given on the UFCW Union Negotiations. Best and final offers of both sides were turned in on time. The two parties are further apart than before. The State mediator has set a meeting date for March 9th. The 30 day cooling off period ends March 26, 2023

Financial Results:

- See attached Narrative and financials
 - January financials showed an Operating loss of \$3.0 million and overall loss at \$1.9 million. Year to date has an Operating loss of \$24.0 million and overall loss at \$25.4 million
 - Cash and Cash equivalents balance as of January 2023 is \$69.98 million

Next meeting:

Next Meeting – March 28, 2023



Month End Financial Narrative
For month ending January 31, 2023

Overall, Bay Area hospital lost \$1.9M in January vs. a budget loss of \$508K and last year's loss of \$3.1M. Year-to-date performance is still significantly off budget and off last year-to-date numbers by \$22.9M and \$18.2M, respectively. Below is a breakdown of the financials.

Bay Area Hospital														
Consolidated Income Statement - January 2023														
	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	51,870,982	46,651,873	5,219,109	11.2%	45,557,235	6,313,747	13.9%	325,151,678	323,553,315	1,598,363	0.5%	326,996,208	(1,844,530)	-0.6%
Total Deductions	33,970,507	29,091,893	(4,878,614)	-16.8%	28,187,839	(5,782,668)	-20.5%	212,655,909	201,766,355	(10,889,554)	-5.4%	205,268,930	(7,386,979)	-3.6%
Net Healthcare Revenue	17,900,475	17,559,980	340,495	1.9%	17,369,397	531,078	3.1%	112,495,769	121,786,960	(9,291,191)	-7.6%	121,727,278	(9,231,509)	-7.6%
Other Oper Revenue	80,957	107,275	(26,318)	-24.5%	189,337	(108,380)	-57.2%	887,166	744,005	143,161	19.2%	832,817	54,349	6.5%
Total Net Revenue	17,981,432	17,667,256	314,176	1.8%	17,558,733	422,699	2.4%	113,382,935	122,530,966	(9,148,030)	-7.5%	122,560,095	(9,177,160)	-7.5%
Net to Gross Ratio	34.7%	37.9%			38.5%			34.9%	37.9%			37.5%		
Total Operating Expenses	21,005,197	18,220,104	(2,785,093)	-15.3%	19,339,221	(1,665,976)	-8.6%	137,426,590	125,362,381	(12,064,209)	-9.6%	133,799,474	(3,627,116)	-2.7%
Net Operating Income	(3,023,765)	(552,848)	(2,470,917)	446.9%	(1,780,487)	(1,243,277)	69.8%	(24,043,655)	(2,831,415)	(21,212,240)	749.2%	(11,239,379)	(12,804,276)	113.9%
Net Income	(1,908,404)	(508,152)	(1,400,252)	275.6%	(3,102,954)	1,194,549	-38.5%	(25,407,259)	(2,521,429)	(22,885,829)	907.7%	(7,225,463)	(18,181,796)	251.6%

VOLUMES

Inpatient Discharge

- Inpatient discharges for the month were above budget by 128 patients (507 vs. 379) and 108 ahead of last year (399). Increased Respiratory illnesses were the main drivers of the increased inpatient volume.
- Year to date we remain above budget and below last year (2,983 vs. 2,631 budget vs. 3,109 last year). The decline from last year is due to inpatient bed availability and a shortage of nurses.

ED Visits

- 1,985 ED visits this month vs. 2,313 budget vs 2,266 last year. Increased respiratory illness were the main drivers of the increased volume.
- YTD visits show 15,192 vs. 16,014 budget vs last year-to-date of 16,054.

Cardiac Cath Cases

- This month we had 96 cases vs last year same month of 113.
- Year-to-date we have had 13 more Cath cases than last year 658 vs. 645.

Imaging

- Is up over the same month last year by 1,174 billed procedures (6,574 vs. 5,400), with the majority of the increase being due to outpatient volume growth in Mammography and Cat Scan.
- Year-to-date we are 12% ahead of last year (43,746 vs. 39,221).

REVENUES

Gross Revenues

- January Gross Revenues were ahead of budget \$5.2M or 11.2% and over last year by \$6.3M or 13.9%. Operating Room, Emergency Room, Cath Lab, Imaging and Pharmacy all showed favorable year to year increases.

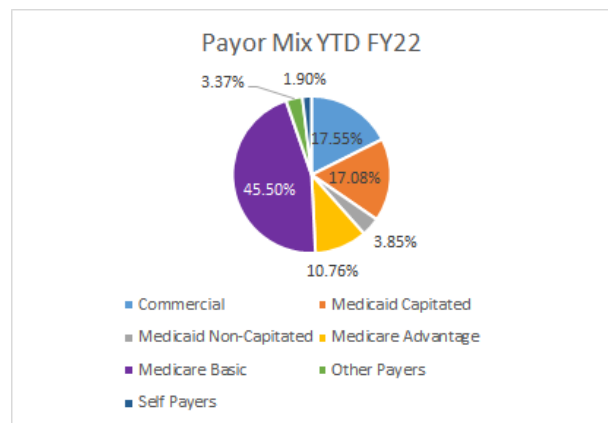
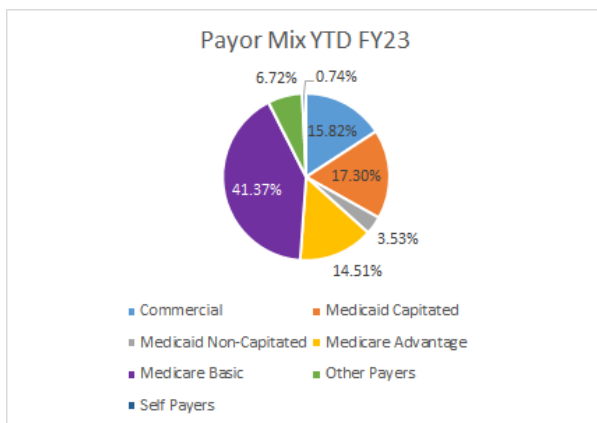


Month End Financial Narrative
For month ending January 31, 2023

- Compared to budget, Inpatient Gross Revenues were \$7.3M over budget and \$4.6M higher than last year. Outpatient Revenues were \$2.1M under Budget but \$1.7M ahead of last year.
- Departments with the largest favorable Revenue variances for the month compared to last year were Operating Room \$2.0M, Imaging \$1.4M, Pharmacy \$1.3M and Cath Lab \$256K.

Deductions from Revenue

- As a %, Deductions from Revenue is higher than budget 65.3% vs. 62.1% (34.7% and 37.9% revenue realization rates). However, Budget is higher as it did not consider the year-end adjustments to Contractual Allowances for fiscal year 2022 (overall for FY22 it was 62.9% or 37.1% revenue realization rate).
- Year to Date, FY23 Deductions from revenue stand at 65.1% (34.9% revenue realization). The largest driver of this change is the mix of payers.
- YTD Medicare has decreased from 45.5% to 41.4% and Medicare Advantaged has increased from 10.76% to 14.51%, Capitated Medicaid is up slightly at 17.08% last year to 17.3% this year. Commercial payors have decreased from 17.55% to 15.82%.



Other Revenues

- For the month actuals were \$81K vs \$107K Budget vs \$189K last year.
- YTD \$887K actual vs \$744K budget vs \$833K last year. We are billings for EPIC Training provided by BAH Staff. Year to date revenue totals \$65K.

Net Revenue

Net Revenue for the month was ahead of budget by \$314K and ahead of last year by \$423K (Actual of \$18.0M vs. Budget of \$17.7M vs. Last Year of \$17.6M). Year-to-date Net Revenues are \$9.1M below budget and \$9.2M below last year (Actual of \$113.4M vs. Budget of \$122.5M vs. Last Year of \$122.6M).



Month End Financial Narrative
For month ending January 31, 2023

EXPENSES

Salaries

- Salaries are 2.8% higher than budget and slightly higher than last year (Actual \$7.0M vs. Budget \$6.8M vs. Last Year \$6.4M).
- Year-to-date we are 6.4% above budget and 4.4% higher than last year (\$48.9M vs. \$45.9M vs \$46.8M).
 - This is due to increased number of FTE's (Actual of 921.43 vs. Budget 907.16) and higher than budgeted hourly rates.

Contract labor

- Higher than budget (\$2.5M vs \$1.0K) as most contract labor was removed from the budget. Compared to last year, contract labor costs are down \$411K.
- Year to date Contract labor is more than double budget and 4.5% higher than last year (\$16.0 vs \$7.1M vs. \$15.3M)
- Departments with the highest amounts of contract labor include Emergency Room (\$434K), Prefontaine Clinic (\$239K), Anesthesia (\$310K), ICU (\$106K), Intermediate Care (\$226K), and Post-Surgical Unit (\$260K).
- We anticipate continuing to use contract labor throughout this fiscal year but the amount should start to decrease after January 2023.

Benefits

- Over budget (\$2.2M vs \$2.0M) and above last year (\$605K) due to the timing of benefit usage and PTO loading.
- Year-to-date benefits are \$658K below budget (\$12.9M vs. \$13.6M) and even with last year's spend (\$12.9M).

Physician and Pro-fees

- Over budget \$450K and over last year for the month (\$1.9M vs. 1.4M budget and \$1.6M last year).
- Year-to-date is similar in nature, slightly ahead of budget and ahead of prior year (\$10.9m vs. \$10.0M budget and \$9.8M last year).
- Physician Fees and Consulting Fees are the drivers of the expense.

Supplies

- This month actual spend was \$3.4M vs \$3.1M budget vs \$3.0M last year
- Operating Room Orthopedic Implant purchases were over budget for the month (\$269K vs. \$113K) and significantly ahead of the prior year (\$39K) specifically in the areas of Hip and Knee Implants.
- Included in the numbers above, Drug spend was \$1.2M vs. Last Year drug spend amount of \$1.3M.
- Year-to-Date spend is over budget \$867K and under last year \$1.8M (\$22.7M vs \$21.8M Budget and \$24.5M Last Year). Decreased Drug Spend is the main drive the decrease from last year.



Month End Financial Narrative
For month ending January 31, 2023

Purchased Services

- \$222K unfavorable to budget for the month; but, slightly favorable to last year (\$1.6M vs. \$1.4M Budget vs \$1.8M).
- Year-to-date we were \$29K unfavorable to budget and slightly over last year (\$9.6M vs \$9.6M vs \$9.4M).
- Compared to last year, we have Radiology Physicians being contracted as well as additional recruitment and software support/development costs. We have spent \$771K less on Maintenance Costs this year compared to last year.

Lease/Rentals

- Below budget and below prior year due to leases being re-classified to amortization for the new Accounting rules (GASB 87) and lower housing rental expense (\$28K vs. \$94K Budget and \$46K Prior Year).
- YTD is similar in reasons and magnitude (\$161K vs \$655K Budget and \$514K Last Year).

Depreciation

- Even with budget and over last year for the month (\$981K vs \$983K Budget and \$713K Last Year). Compared to last year, this year we have EPIC and workday depreciation as well as the increase for the Newmark and Bright Beginning Leases.
- Year-to-date is similar (\$6.9M Actual vs. \$6.8M Budget and \$5.0M Last year).

Other Operating expense

- Under budget by \$13K (\$1.4M vs \$1.4M Budget). Strong revenue during the month caused an increase in Provider Tax. Compared to last year we are \$134K higher.
- Year-to-date we are below budget and last year due to provider tax (\$9.4M Actual vs. \$9.9M Budget and \$9.6M Last Year).

Bay Area Hospital

Consolidated Income Statement - January 2023

	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	51,870,982	46,651,873	5,219,109	11.2%	45,557,235	6,313,747	13.9%	325,151,678	323,553,315	1,598,363	0.5%	326,996,208	(1,844,530)	-0.6%
Deductions	33,365,240	28,546,058	(4,819,182)	-16.9%	27,723,653	(5,641,587)	-20.3%	207,953,027	197,980,724	(9,972,304)	-5.0%	203,327,544	(4,625,483)	-2.3%
Bad Debt	283,391	365,575	82,184	22.5%	275,146	(8,245)	-3.0%	2,336,869	2,535,440	198,571	7.8%	755,029	(1,581,840)	-209.5%
Charity	321,876	180,260	(141,616)	-78.6%	189,040	(132,836)	-70.3%	2,366,013	1,250,191	(1,115,822)	-89.3%	1,186,356	(1,179,656)	-99.4%
Total Deductions	33,970,507	29,091,893	(4,878,614)	-16.8%	28,187,839	(5,782,668)	-20.5%	212,655,909	201,766,355	(10,889,554)	-5.4%	205,268,930	(7,386,979)	-3.6%
Net Healthcare Revenue	17,900,475	17,559,980	340,495	1.9%	17,369,397	531,078	3.1%	112,495,769	121,786,960	(9,291,191)	-7.6%	121,727,278	(9,231,509)	-7.6%
Other Oper Revenue	80,957	107,275	(26,318)	-24.5%	189,337	(108,380)	-57.2%	887,166	744,005	143,161	19.2%	832,817	54,349	6.5%
Total Net Revenue	17,981,432	17,667,256	314,176	1.8%	17,558,733	422,699	2.4%	113,382,935	122,530,966	(9,148,030)	-7.5%	122,560,095	(9,177,160)	-7.5%
Net to Gross Ratio	34.7%	37.9%			38.5%			34.9%	37.9%			37.5%		
Salaries	6,956,439	6,768,939	(187,501)	-2.8%	6,404,010	(552,429)	-8.6%	48,893,946	45,943,011	(2,950,936)	-6.4%	46,847,330	(2,046,617)	-4.4%
Contract Labor	2,460,412	1,025,497	(1,434,915)	-139.9%	2,871,883	411,471	14.3%	15,963,372	7,112,318	(8,851,054)	-124.4%	15,275,807	(687,565)	-4.5%
Benefits	2,219,143	1,953,984	(265,160)	-13.6%	1,614,075	(605,068)	-37.5%	12,893,510	13,551,822	658,312	4.9%	12,897,351	3,841	0.0%
Physician & Prof Fee	1,892,513	1,442,887	(449,626)	-31.2%	1,608,685	(283,828)	-17.6%	10,885,702	10,007,119	(878,583)	-8.8%	9,782,774	(1,102,928)	-11.3%
Supplies	3,449,654	3,142,218	(307,436)	-9.8%	3,025,977	(423,677)	-14.0%	22,659,923	21,792,806	(867,118)	-4.0%	24,479,001	1,819,078	7.4%
Purchased Services	1,600,948	1,379,242	(221,707)	-16.1%	1,772,710	171,762	9.7%	9,595,110	9,565,710	(29,400)	-0.3%	9,413,196	(181,913)	-1.9%
Leases/Rentals	28,105	94,429	66,324	70.2%	46,091	17,986	39.0%	161,372	654,908	493,537	75.4%	514,495	353,123	68.6%
Depreciation	981,041	982,556	1,515	0.2%	712,819	(268,222)	-37.6%	6,931,927	6,814,500	(117,427)	-1.7%	4,983,338	(1,948,589)	-39.1%
Other Oper Expense	1,416,940	1,430,353	13,413	0.9%	1,282,972	(133,968)	-10.4%	9,441,729	9,920,187	478,458	4.8%	9,606,182	164,453	1.7%
Total Operating Expenses	21,005,197	18,220,104	(2,785,093)	-15.3%	19,339,221	(1,665,976)	-8.6%	137,426,590	125,362,381	(12,064,209)	-9.6%	133,799,474	(3,627,116)	-2.7%
Net Operating Income	(3,023,765)	(552,848)	(2,470,917)	446.9%	(1,780,487)	(1,243,277)	69.8%	(24,043,655)	(2,831,415)	(21,212,240)	749.2%	(11,239,379)	(12,804,276)	113.9%
Investment Income	1,273,138	7,042	1,266,096	17978.1%	(1,302,405)	2,575,543	-197.8%	(569,490)	48,843	(618,332)	-1266.0%	(1,903,152)	1,333,663	-70.1%
Other Nonop Inc(Exp)	45,254	145,509	(100,255)	-68.9%	88,163	(42,910)	-48.7%	735,929	1,009,175	(273,246)	-27.1%	6,697,647	(5,961,719)	-89.0%
Interest Expense	(203,032)	(107,856)	(95,176)	88.2%	(108,224)	(94,807)	87.6%	(1,530,043)	(748,032)	(782,011)	104.5%	(780,579)	(749,464)	96.0%
Net Income	(1,908,404)	(508,152)	(1,400,252)	275.6%	(3,102,954)	1,194,549	-38.5%	(25,407,259)	(2,521,429)	(22,885,829)	907.7%	(7,225,463)	(18,181,796)	251.6%
Bad Debt % of GR	0.5%	0.8%	-0.2%	0.6%	0.7%	0.8%	-0.1%	0.7%	0.8%	-0.1%	0.2%	0.6%	0.6%	
Bad Debt % of NR	1.6%	2.1%	-0.5%	1.6%	2.1%	2.1%	0.0%	2.1%	2.1%	0.0%	0.6%	0.6%	0.6%	
Bad Debt/Charity % of GR	1.2%	1.2%	0.0%	1.0%	1.4%	1.2%	0.3%	1.4%	1.2%	0.3%	0.6%	0.6%	0.6%	
Contractual %	-65.5%	-62.4%	-3.1%	-61.9%	-65.4%	-62.4%	-3.0%	-65.4%	-62.4%	-3.0%	-62.8%	-62.8%	-62.8%	
Operating Margin	-16.8%	-3.1%	-13.7%	437.4%	-10.1%	-6.7%	-21.2%	-2.3%	-18.9%	817.7%	-9.2%	-12.04%	131.2%	
Net Margin %	-10.6%	-2.9%	-7.7%	269.0%	-17.7%	7.1%	-39.9%	-22.4%	-2.1%	-20.4%	989.0%	-5.9%	280.1%	
Operating EBIDTA	(2,042,723)	429,708	(2,469,402)	-574.7%	(1,067,668)	(975,055)	91.3%	(17,111,728)	3,983,085	(21,329,666)	-535.5%	(6,256,041)	(10,855,687)	173.5%
Operating EBIDTA %	-11.4%	2.4%	-13.8%	-567.1%	-6.1%	-5.3%	-15.1%	3.3%	-18.3%	-564.3%	-5.1%	-9.99%	195.7%	
EBIDTA	(724,331)	582,259	(1,303,562)	-223.9%	(2,281,910)	1,557,579	-68.3%	(16,945,289)	5,041,103	(22,221,245)	-440.8%	(1,461,546)	(15,483,743)	1059.4%
EBIDTA %	-4.0%	3.3%	-7.3%	-222.2%	-13.0%	9.0%	-14.9%	4.1%	-19.1%	-463.3%	-1.2%	-13.75%	1153.3%	
Discharges	507	379	128	33.8%	399	108	27.1%	2,983	2,631	352	13.4%	3,109	(126)	-4.1%
Patient Days	2,270	1,520	750	49.3%	2,301	(31)	-1.3%	12,866	10,542	2,324	22.0%	15,318	(2,452)	-16.0%
Adjusted Days	4,833	4,165	669	16.1%	5,303	(470)	-8.9%	29,531	28,884	648	2.2%	35,859	(6,327)	-17.6%
Adjusted Discharges	1,079	1,038	41	4.0%	920	160	17.4%	6,847	7,209	(362)	-5.0%	7,278	(431)	-5.9%
Per Adjusted Day	4.48	4.01	5.86	1.46	5.77									
Net Rev Incl BD/APD	3,704	4,216	(513)	-12.2%	3,275	429	13.1%	3,809	4,216	(407)	-9.7%	3,395	415	12.2%
SWB/APD	2,408	2,341	(67)	-2.9%	2,053	354	17.2%	2,633	2,306	(327)	-14.2%	2,092	541	25.8%
Salary/APD	1,948	1,872	(77)	-4.1%	1,749	199	11.4%	2,196	1,837	(359)	-19.6%	1,732	464	26.8%
Supply Cost/APD	714	755	41	5.4%	571	143	25.1%	767	755	(13)	-1.7%	683	85	12.4%
Other Expense/APD	685	690	5	0.7%	545	140	25.6%	688	690	2	0.2%	541	148	27.3%
Per Adjusted Discharge														
Net Rev Incl BD/Adj DC	16,583	16,910	(328)	-1.9%	18,887	(2,305)	-12.2%	16,430	16,895	(464)	-2.7%	16,725	(295)	-1.8%
SWB/Adj DC	10,779	9,388	(1,392)	-14.8%	11,842	(1,062)	-9.0%	11,356	9,240	(2,116)	-22.9%	10,308	1,048	10.2%
Salary/Adj DC	8,724	7,506	(1,217)	-16.2%	10,086	(1,363)	-13.5%	9,473	7,360	(2,113)	-28.7%	8,536	937	11.0%
Supply Cost/Adj DC	3,196	3,026	(170)	-5.6%	3,290	(95)	-2.9%	3,310	3,023	(286)	-9.5%	3,363	(54)	-1.6%
Other Expense/Adj DC	3,066	2,767	(299)	-10.8%	3,144	(79)	-2.5%	2,969	2,764	(204)	-7.4%	2,664	305	11.4%
Pct of Net Revenue														
SWB	65.0%	55.5%	-9.5%	62.7%	-2.3%			69.1%	54.7%	-14.4%		61.6%	-7.5%	
Supplies	19.3%	17.9%	-1.4%	17.4%	-1.8%			20.1%	17.9%	-2.2%		20.1%	0.0%	
Other Expense	18.5%	16.4%	-2.1%	16.6%	-1.8%			18.1%	16.4%	-1.7%		15.9%	-2.1%	
FTE's														
Total Salary FTE's	858.53	853.19	(5.34)	-0.6%	883.56	25.04	2.8%	839.80	853.19	13.39	1.6%	896.83	57.03	6.4%
Total Contract FTE's	91.61	53.97	(37.63)	-69.7%	75.97	(15.63)	-20.6%	81.63	53.98	(27.65)	-51.2%	67.95	(13.68)	-20.1%
Total Facility Paid FTEs	950.13	907.16	(42.97)	-4.7%	959.54	9.40	1.0%	921.43	907.16	(14.26)	-1.6%	964.78	43.36	4.5%
Paid FTE per AOB	6.09	6.75	0.66	9.7%	5.61	(0.49)	-8.7%	6.71	6.75	0.04	0.7%	5.78	(0.92)	-16.0%
Average Hourly Rate	\$ 56.10	\$ 48.64	(7.47)	-15.4%	\$ 54.57	(1.53)	-2.8%	\$ 57.45	\$ 47.73	(9.72)	-20.4%	\$ 52.41	(5.04)	-9.6%

Bay Area Hospital

Consolidated Income Statement Trend - January 2023

	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2023
	JanMTD	FebMTD	MarMTD	AprMTD	MayMTD	JunMTD	JulMTD	AugMTD	SepMTD	OctMTD	NovMTD	DecMTD	JanMTD
Gross Patient Revenue													
Inpatient Revenue	19,765,777	17,121,051	21,187,875	19,760,930	21,010,538	17,745,825	16,839,892	19,036,683	16,552,366	18,947,417	21,945,875	23,974,676	24,362,551
Outpatient Revenue	25,791,458	26,611,428	29,934,835	27,423,289	26,646,528	29,023,494	22,961,287	27,804,027	25,269,488	25,455,664	27,088,171	27,405,149	27,508,431
Total Gross Patient Revenue	45,557,235	43,732,479	51,122,710	47,184,219	47,657,066	46,769,320	39,801,179	46,840,710	41,821,853	44,403,082	49,034,046	51,379,826	51,870,982
Deductions	27,723,653	26,484,678	29,395,149	29,348,947	38,107,150	49,343,338	25,244,814	30,623,410	26,570,878	27,819,136	32,196,607	32,132,943	33,365,240
Bad Debt	275,146	26,853	2,331,639	848,381	5,518,632	(5,953,801)	585,416	(394,368)	769,491	278,332	(22,457)	837,064	283,391
Charity	189,040	229,414	253,550	67,524	63,908	178,521	387,780	1,080,078	83,403	182,868	101,534	208,473	321,876
Total Deductions	28,187,839	26,740,945	31,980,338	30,264,852	43,689,690	43,568,057	26,218,010	31,309,120	27,423,772	28,280,336	32,275,684	33,178,480	33,970,507
Net Healthcare Revenue	17,369,397	16,991,534	19,142,372	16,919,367	3,967,377	3,201,262	13,583,169	15,531,590	14,398,081	16,122,746	16,758,362	18,201,346	17,900,475
Other Oper Revenue	189,337	71,085	79,767	161,319	113,871	128,330	103,411	92,746	135,288	110,628	84,050	280,086	80,957
Total Net Revenue	17,558,733	17,062,619	19,222,139	17,080,686	4,081,248	3,329,592	13,686,580	15,624,337	14,533,370	16,233,374	16,842,412	18,481,431	17,981,432
Expenses	38.5%	39.0%	37.6%	36.2%	8.6%	7.1%	34.4%	33.4%	34.8%	36.6%	34.3%	36.0%	34.7%
Salaries	6,404,010	5,767,214	6,495,713	6,245,567	7,023,276	6,684,246	7,612,366	6,843,560	6,675,760	6,764,373	7,025,547	7,015,901	6,956,439
Contract Labor	2,871,883	2,642,055	3,435,461	2,799,948	2,441,608	4,058,682	1,937,755	2,330,260	1,666,011	2,163,593	3,123,071	2,282,270	2,460,412
Benefits	1,614,075	1,829,036	2,082,594	2,012,364	1,607,539	1,766,848	1,586,170	1,776,365	1,757,407	1,819,103	2,007,389	1,727,933	2,219,143
Physician & Prof Fee	1,608,685	1,779,952	1,598,323	1,374,807	1,654,872	1,911,323	1,553,452	1,370,986	1,421,356	1,424,163	1,373,426	1,849,806	1,892,513
Supplies	3,025,977	3,569,668	3,878,808	3,578,052	3,677,373	3,632,098	3,351,313	3,394,317	2,417,220	3,331,031	3,334,830	3,381,559	3,449,654
Purchased Services	1,772,710	1,676,965	1,828,930	2,441,201	1,430,411	1,479,068	1,286,415	1,206,051	1,541,037	1,335,105	1,341,732	1,283,821	1,600,948
Leases/Rentals	46,091	91,164	33,851	102,727	33,378	(144,935)	35,801	29,679	17,533	25,035	1,180	24,039	28,105
Depreciation	712,819	2,423,539	904,842	1,019,666	952,545	1,655,964	997,807	994,783	996,194	996,124	982,344	983,634	981,041
Other Oper Expense	1,282,972	1,323,233	1,743,245	1,327,900	722,018	869,300	1,170,784	1,352,675	1,288,610	1,384,639	1,382,030	1,446,050	1,416,940
Total Operating Expenses	19,339,221	21,102,826	22,001,768	20,902,233	19,543,021	21,912,594	19,531,864	19,298,676	17,781,128	19,243,165	20,571,549	19,995,012	21,005,197
Net Operating Income	(1,780,487)	(4,040,207)	(2,779,629)	(3,821,546)	(15,461,772)	(18,583,001)	(5,845,284)	(3,674,340)	(3,247,758)	(3,009,790)	(3,729,137)	(1,513,581)	(3,023,765)
Investment Income	(1,302,405)	(657,225)	(2,292,629)	(2,172,465)	711,830	(923,590)	1,811,453	(2,219,478)	(2,525,944)	(672,720)	1,915,113	(151,049)	1,273,138
Other Nonop Inc(Exp)	88,163	227,118	71,474	128,206	284,413	1,109,298	131,310	97,400	52,636	85,883	78,779	244,666	45,254
Interest Expense	(108,224)	(105,190)	(101,620)	(110,937)	(110,646)	(169,179)	(133,237)	(145,409)	(142,178)	(150,328)	(142,058)	(613,800)	(203,032)
Net Income	(3,102,954)	(4,576,005)	(5,102,372)	(5,976,742)	(14,576,175)	(18,566,473)	(4,035,758)	(5,941,826)	(5,863,244)	(3,746,959)	(1,877,304)	(2,033,763)	(1,908,404)
Operating Margin %	-10.1%	-23.7%	-14.5%	-22.4%	-378.8%	-558.1%	-42.7%	-23.5%	-22.3%	-18.5%	-22.1%	-8.2%	-16.8%
Net Margin %	-17.7%	-26.8%	-26.5%	-35.0%	-357.1%	-557.6%	-29.5%	-38.0%	-40.3%	-23.1%	-11.1%	-11.0%	-10.6%
Operating EBIDA	(1,067,668)	(1,616,668)	(1,874,787)	(2,801,881)	(14,509,228)	(16,927,037)	(4,847,477)	(2,679,557)	(2,251,564)	(2,013,667)	(2,746,793)	(529,947)	(2,042,723)
Operating EBIDA %	-6.1%	-9.5%	-9.8%	-16.4%	-355.5%	-508.4%	-35.4%	-17.1%	-15.5%	-12.4%	-16.3%	-2.9%	-11.4%
EBBITA Margin	-13.0%	-12.0%	-21.3%	-28.4%	-331.1%	-502.8%	-21.2%	-30.7%	-32.5%	-16.0%	-4.5%	-2.4%	-4.0%
Discharges	399	387	460	468	502	424	397	412	387	407	414	459	507
Patient Days	2,301	2,008	2,258	2,185	2,108	1,689	1,521	1,543	1,527	1,744	2,037	2,224	2,270
Adjusted Days	5,303	5,129	5,448	5,217	4,781	4,451	3,595	3,797	3,858	4,087	4,551	4,766	4,833
Adjusted Discharges	920	989	1,110	1,117	1,139	1,117	938	1,014	978	954	925	984	1,079
Per Adjusted Day							3.98	3.83	3.75	3.95	4.29	4.92	4.48
Net Revenue/APD	3,275	3,313	3,514	3,243	830	719	3,778	4,091	3,732	3,945	3,682	3,819	3,704
Net Rev Incl BD/APD	3,275	3,313	3,514	3,243	830	719	3,778	4,091	3,732	3,945	3,682	3,819	3,704
SWB/APD	2,053	1,996	2,205	2,119	2,316	2,810	3,098	2,884	2,618	2,630	2,671	2,313	2,408
Salary/APD	1,749	1,640	1,823	1,734	1,979	2,413	2,657	2,416	2,162	2,184	2,230	1,951	1,948
Supply Cost/APD	571	696	712	686	769	816	932	894	627	815	733	709	714
Other Expense/APD	545	605	613	518	497	625	758	717	702	687	605	692	685
Per Adjusted Discharge													
Net Revenue/Adj DC	18,887	17,189	17,247	15,141	3,484	2,865	14,476	15,321	14,725	16,904	18,117	18,503	16,583
Net Rev Incl BD/Adj DC	18,887	17,189	17,247	15,141	3,484	2,865	14,476	15,321	14,725	16,904	18,117	18,503	16,583
SWB/Adj DC	11,842	10,357	10,824	9,895	9,724	11,195	11,868	10,802	10,328	11,268	13,142	11,209	10,779
Salary/Adj DC	10,086	8,507	8,948	8,095	8,312	9,614	10,178	9,049	8,531	9,360	10,971	9,452	8,724
Supply Cost/Adj DC	3,290	3,611	3,495	3,202	3,230	3,250	3,572	3,348	2,472	3,492	3,605	3,438	3,196
Other Expense/Adj DC	3,144	3,139	3,011	2,419	2,087	2,488	2,903	2,687	2,771	2,945	2,979	3,351	3,066
Pct of Net Revenue													
SWB	62.7%	60.3%	62.8%	65.4%	279.1%	390.8%	82.0%	70.5%	70.1%	66.7%	72.5%	60.6%	65.0%
Supplies	17.4%	21.0%	20.3%	21.1%	92.7%	113.5%	24.7%	21.9%	16.8%	20.7%	19.9%	18.6%	19.3%
Other Expense	16.6%	18.3%	17.5%	16.0%	59.9%	86.9%	20.1%	17.5%	18.8%	17.4%	16.4%	18.1%	18.5%
FTE's													
Total Salary FTE's	883.56	874.01	1,024.22	818.72	795.40	814.96	862.60	851.68	855.92	713.56	869.58	861.21	858.53
Total Contract FTE's	75.97	113.58	88.64	77.80	79.86	139.15	78.24	76.60	57.82	69.00	110.19	87.53	91.61
Total Facility Paid FTE's	959.54	987.59	1,112.87	896.52	875.26	954.12	940.84	928.27	913.74	782.56	979.77	948.74	950.13
Paid FTE per AOB	5.61	5.39	6.33	5.16	5.67	6.43	8.11	7.58	7.10	5.94	6.46	6.17	6.09
Average Hourly Rate	\$ 54.57	\$ 53.22	\$ 50.38	\$ 58.86	\$ 61.05	\$ 65.68	\$ 57.30	\$ 55.79	\$ 53.25	\$ 64.58	\$ 60.59	\$ 55.48	\$ 56.10

Bay Area Hospital
Balance Sheet (Including Foundation)
January 2023

	<u>Jan-23</u>	<u>Dec-22</u>	<u>Audited Jun-22</u>
Assets And Deferred Outflows Of Resources			
Current Assets			
Cash & Cash Equivalents	16,170,056	14,336,899	17,016,994
Accounts Receivable (Net)	19,642,270	19,892,758	24,465,619
Inventory	6,397,042	6,341,728	6,261,727
Other Current Assets	5,121,661	4,662,630	4,410,739
Total Current Assets	<u>47,331,029</u>	<u>45,234,015</u>	<u>52,155,080</u>
Assets Limited As to Use	53,809,088	52,553,195	87,331,596
Capital Assets			
Depreciable Capital Assets (Net)	85,925,412	86,220,550	91,510,791
Nondepreciable Capital Assets	4,915,431	4,908,350	4,142,630
Total Capital Assets (Net)	<u>90,840,843</u>	<u>91,128,900</u>	<u>95,653,420</u>
Other Non Current Assets	1,104,970	1,185,452	1,135,685
Total Assets	<u>193,085,929</u>	<u>190,101,561</u>	<u>236,275,781</u>
Deferred Outflows Of Resources	17,878,901	17,878,901	17,878,901
Total Assets And Deferred Outflows	<u>210,964,830</u>	<u>207,980,462</u>	<u>254,154,682</u>
Liabilities, Deferred Inflows of Resources, And Net Position			
Current Liabilities			
Accounts Payable	(8,559,241)	(5,264,381)	(11,140,688)
Accrued Liabilities			
Payroll, payroll taxes, withholdings	(5,588,713)	(4,661,827)	(3,092,600)
Paid Time Off	(5,106,685)	(4,542,598)	(5,393,829)
Other	(6,884,217)	(6,558,233)	(4,338,632)
3rd Party Settlements Payable (net)	(2,487,571)	(2,487,571)	(6,229,262)
Revolving Line of Credit	0	0	(8,000,000)
Long-Term Debt in Default Classified as Current	(47,138,149)	(47,138,149)	(47,876,185)
Long-Term Obligations - Current Portion	(3,308,573)	(3,308,573)	(3,308,573)
Deferred Revenue	(833,334)	(916,667)	
Medicare accelerated payments			(7,156,518)
Total Current Liabilities	<u>(79,906,482)</u>	<u>(74,877,999)</u>	<u>(96,536,287)</u>
Long Term Obligations (Net of Current Portion)	(5,302,812)	(5,358,041)	(6,454,886)
Other Noncurrent Liabilities	(4,467,922)	(4,548,404)	(4,468,637)
Net Pension Asset	(8,910,885)	(8,910,885)	(8,910,885)
Total Liabilities	<u>(98,588,101)</u>	<u>(93,695,328)</u>	<u>(116,370,695)</u>
Deferred Inflows Of Resources	(8,923,732)	(8,923,732)	(8,923,732)
Total Liabilities & Deferred Cash Inlows	<u>(107,511,833)</u>	<u>(102,619,060)</u>	<u>(125,294,427)</u>
Net Position	(128,860,256)	(128,860,256)	(189,017,386)
Net Income/Loss	25,407,259	23,498,854	60,157,130
Total Liabilities, Deferred Inflows, Net Position	<u>(210,964,830)</u>	<u>(207,980,462)</u>	<u>(254,154,683)</u>

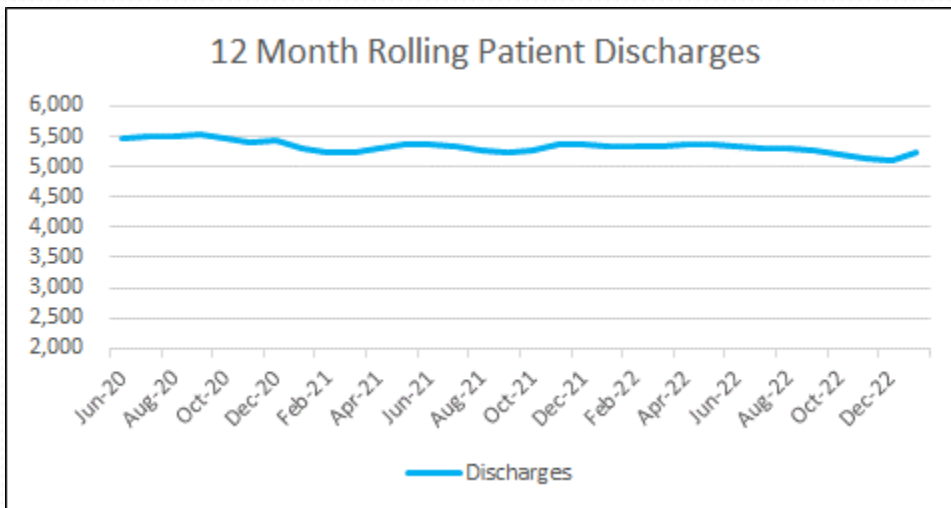
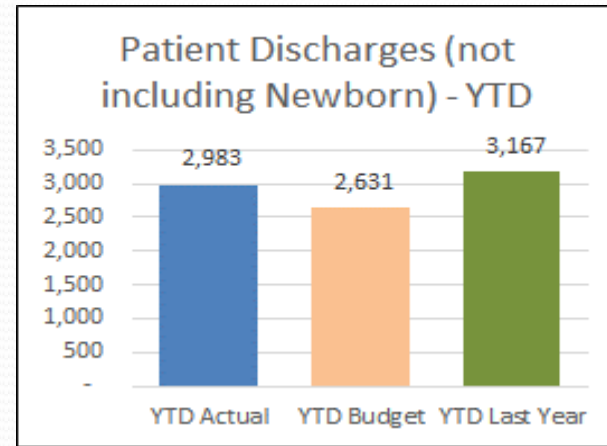
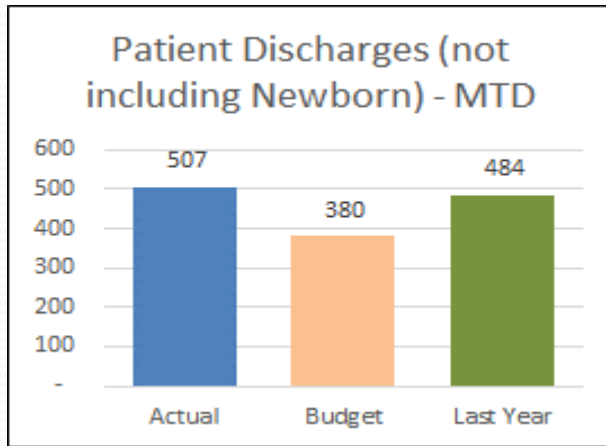
Bay Area Hospital
Statement of Cash Flows
January 2023

	<u>Current</u> <u>Month</u>	<u>Year</u> <u>to Date</u>
Cash flows from operating activities:		
Excess of revenues over expenses	(1,908,404)	(25,407,259)
Adjustment to reconcile excess of revenues over expenses to net cash provided by operating expenses:		
Depreciation & Amortization	981,041	6,931,927
Loss (gain) on disposal of property, plant & equipment	0	0
Receivables	250,488	4,823,350
Inventory of supplies	(55,314)	(135,315)
Other current assets	(459,032)	(710,922)
Net Pension Asset	0	0
Other non current assets/liabilities	0	30,000
Current liabilities (excluding debt & deferred revenue)	5,111,816	(8,725,103)
Deferred Revenue	(83,333)	833,334
Net cash provided by operating activities	<u>3,837,263</u>	<u>(22,359,987)</u>
Cash flows from investing activities:		
Purchase of property, plant & equipment	(692,985)	(2,119,349)
Change in Value of Investments	(1,255,893)	522,508
Transfer Investments to Cash		33,000,000
Net cash provided by investing activities	<u>(1,948,878)</u>	<u>31,403,159</u>
Cash flows from financing activities:		
Deferred Inflows/Outflows of Resources	0	0
Debt/Subscription Principle Payments	(55,228)	(1,890,110)
Revolving Line of Credit Payment		(8,000,000)
Net cash provided by financing activities	<u>(55,228)</u>	<u>(9,890,110)</u>
Net increase (decrease) in cash	<u>1,833,156</u>	<u>(846,939)</u>
Beginning Cash Balance	<u>14,336,899</u>	<u>17,016,994</u>
Ending Cash Balance	<u>16,170,056</u>	<u>16,170,056</u>

Bay Area Hospital

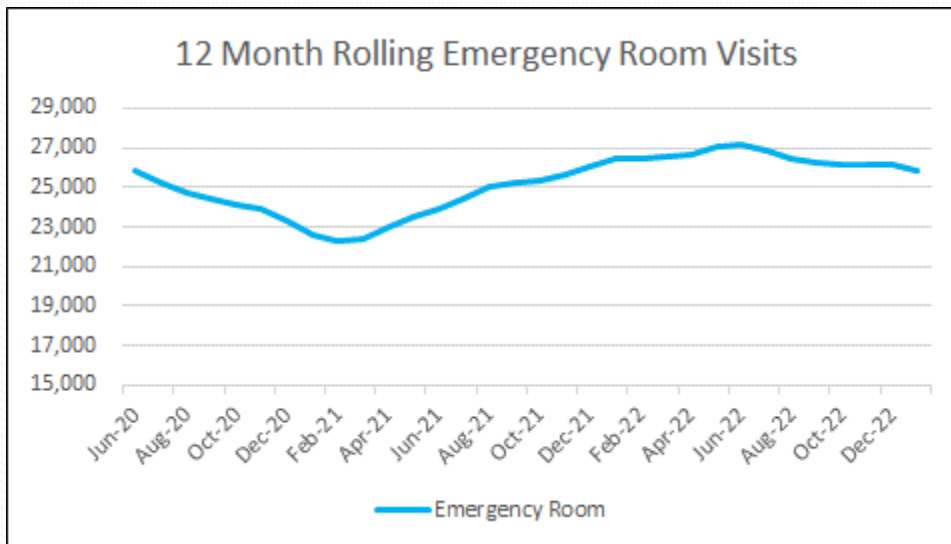
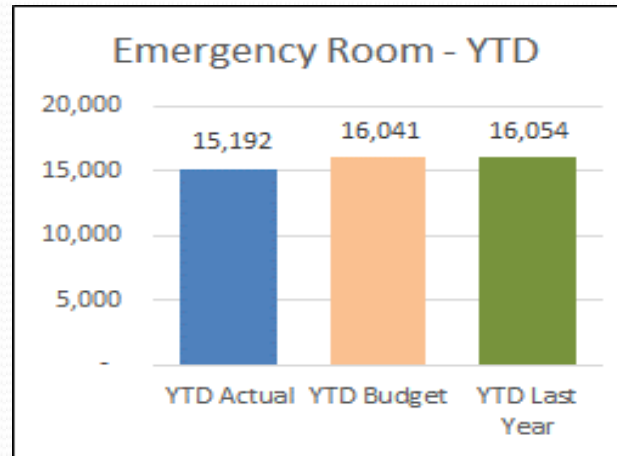
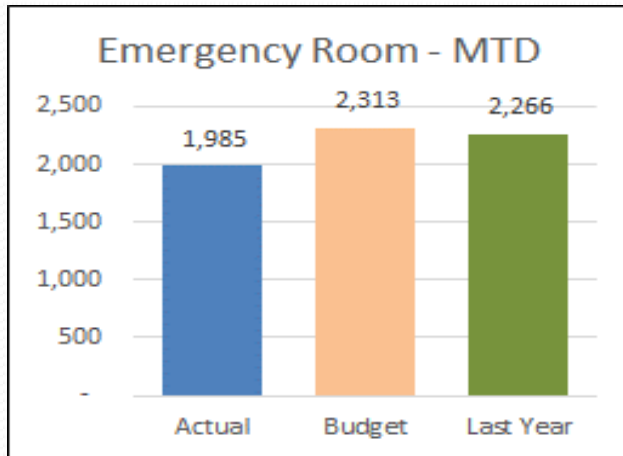
January 2023 Month End Results

Patient Discharges



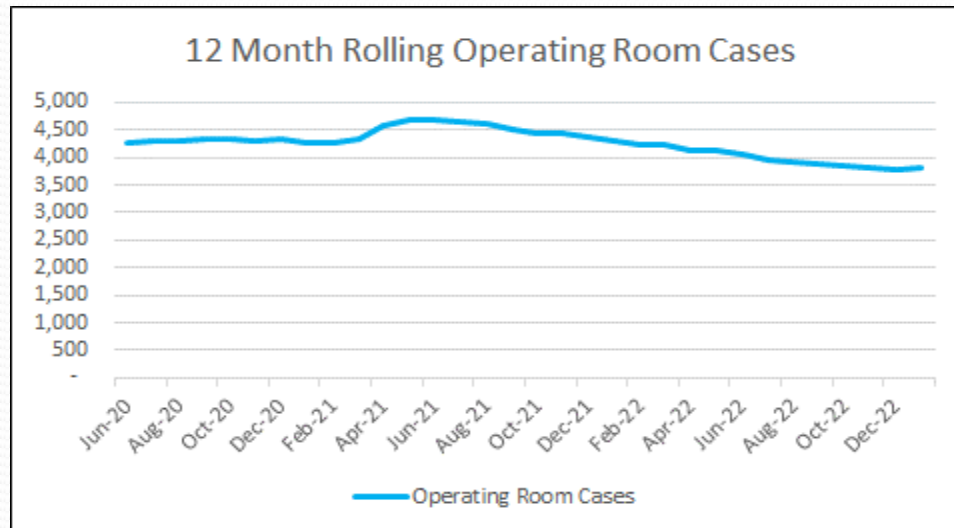
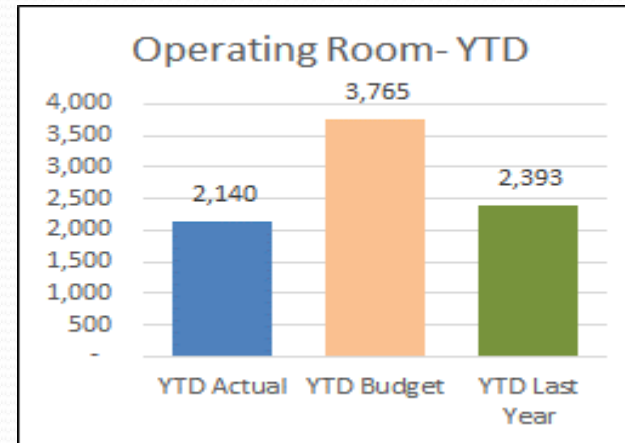
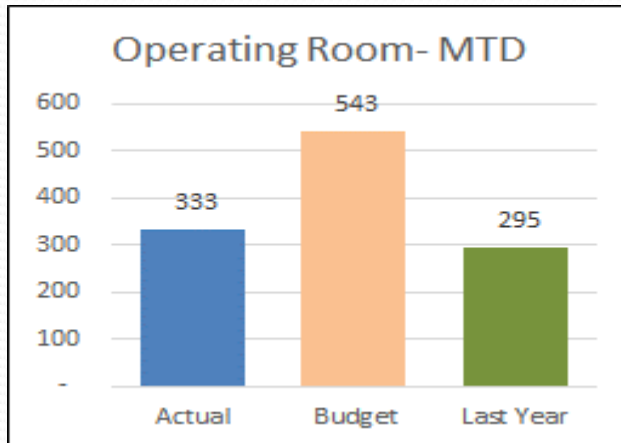
- Strong Inpatient Discharges for the month due to Respiratory Illness 33.8% higher than budget and 27.1% higher than last year
- YTD actual is 13.4% better than budget and 4.1% below last year
- On a rolling 12 month basis, the trend has turned and showing a positive increase

Emergency Room Visits



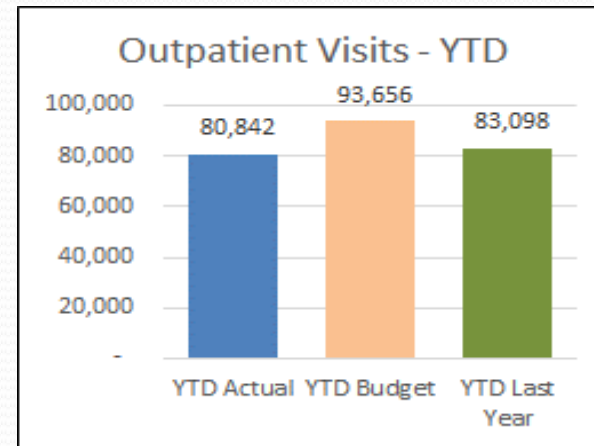
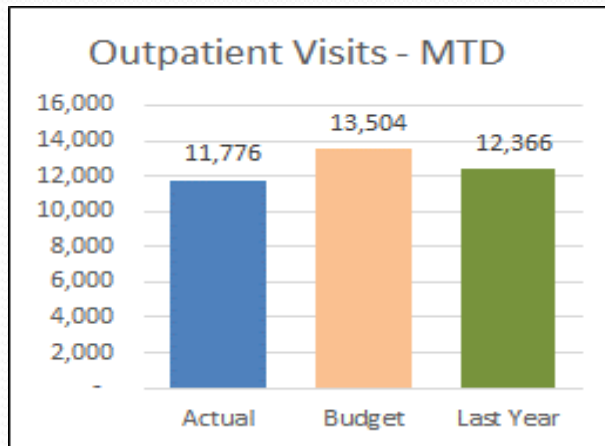
- MTD 14.2% below budget and 12.4% lower than last year
- YTD 5.3% under budget and 5.4% less visits compared to prior year
- On a rolling 12 month basis, visits are showing a decline

Operating Room



- MTD 38.7% under budget and 12.9% ahead of last year
- YTD 43.2% under budget and 10.6% below last year due to not performing as many eye surgeries and shortage of anesthesiologists
- On a rolling 12 month basis surgeries have stabilized. We have seen a gradual increase in inpatient surgeries over the past few months

Outpatient Visits

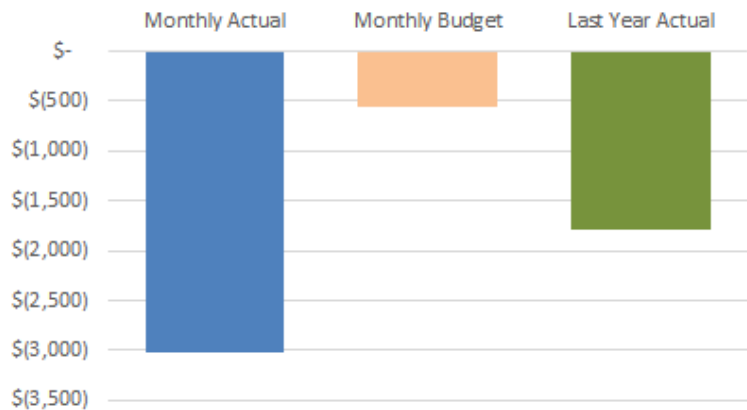


- MTD 12.8% under budget and 4.8% under last year, primarily due to Lab, Emergency Room and Cardiology Clinic
- YTD 13.7% under budget and 2.7% under last year for the same reasons
- Rolling 12 month trend unavailable due to the EHR conversion and how visits are counted

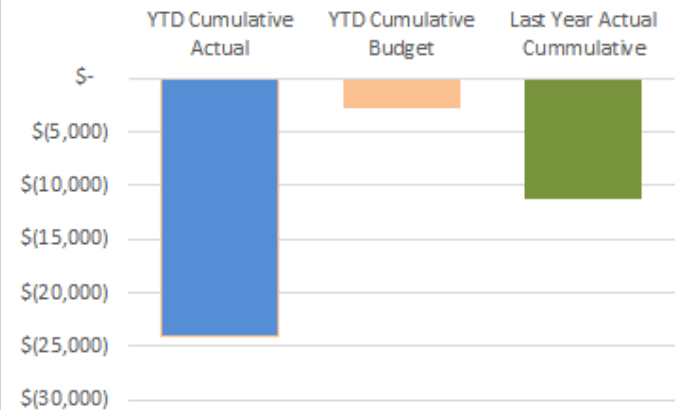
Operating Income

(000s)	MTD			YTD		
	Actual	Budget	Variance	Actual	Budget	Variance
Net Revenue	\$ 17,981	\$ 17,667	\$ 314	\$ 113,383	\$ 122,531	\$ (9,148)
Salaries/Benefits	\$ 11,636	\$ 9,748	\$ (1,888)	\$ 77,751	\$ 66,607	\$ (11,144)
Supplies	\$ 3,450	\$ 3,142	\$ (307)	\$ 22,660	\$ 21,793	\$ (867)
Other Expenses	\$ 5,920	\$ 5,329	\$ (590)	\$ 37,016	\$ 36,962	\$ (53)
Total Operating Expenses	\$ 21,005	\$ 18,220	\$ (2,785)	\$ 137,427	\$ 125,362	\$ (12,064)
Net Operating Income	\$ (3,024)	\$ (553)	\$ (2,471)	\$ (24,044)	\$ (2,831)	\$ (21,212)
Contribution Margin	-16.8%	-3.1%	-13.7%	-21.2%	-2.3%	-18.9%

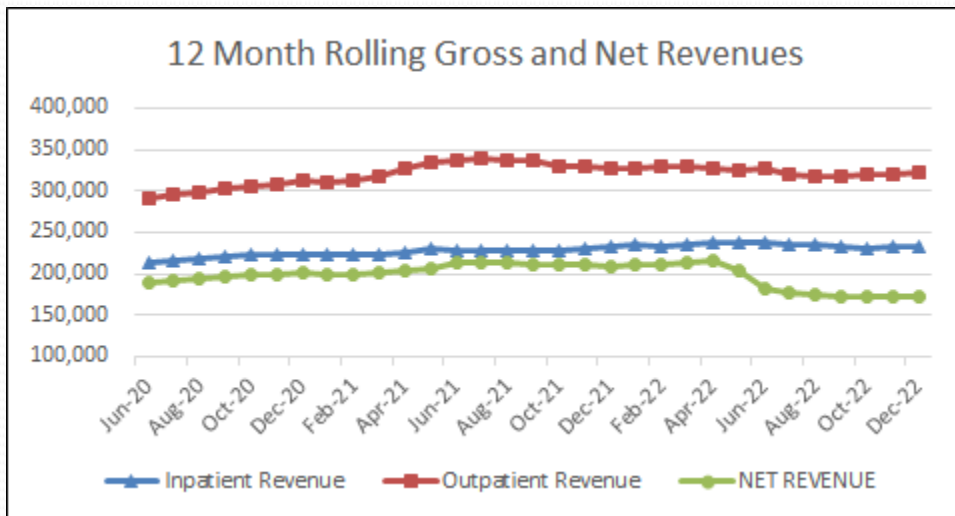
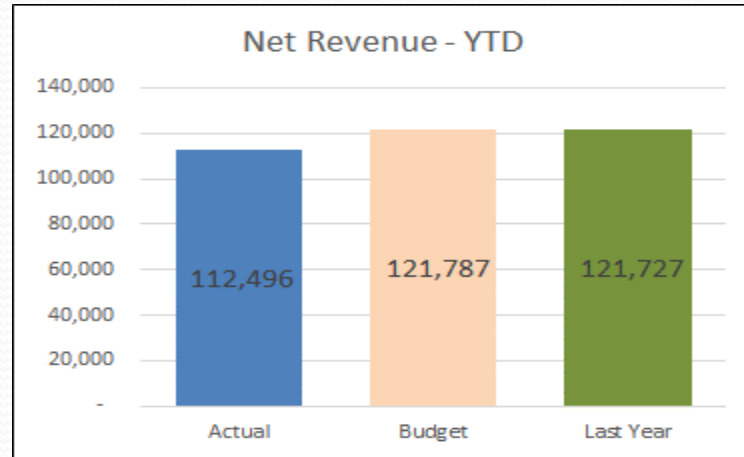
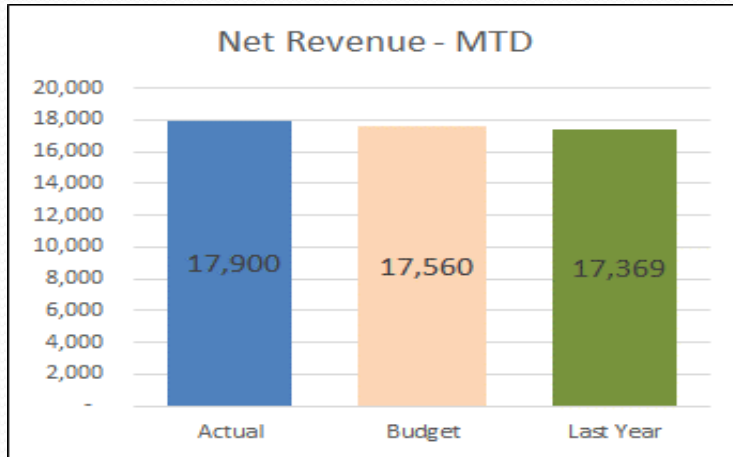
Fiscal Year FY23 Net Income From Operations - MTD



Fiscal Year FY23 Net Income From Operations - YTD

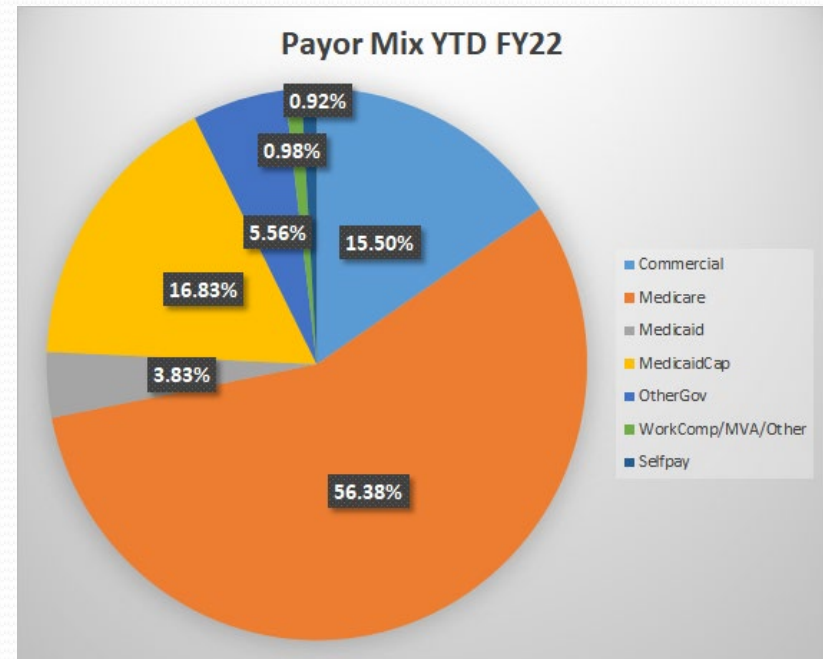
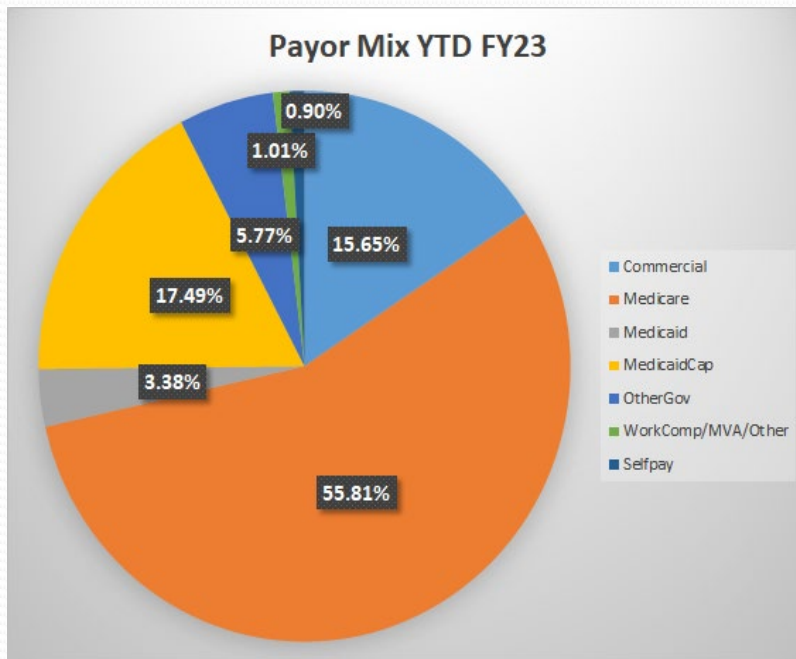


Net Revenue



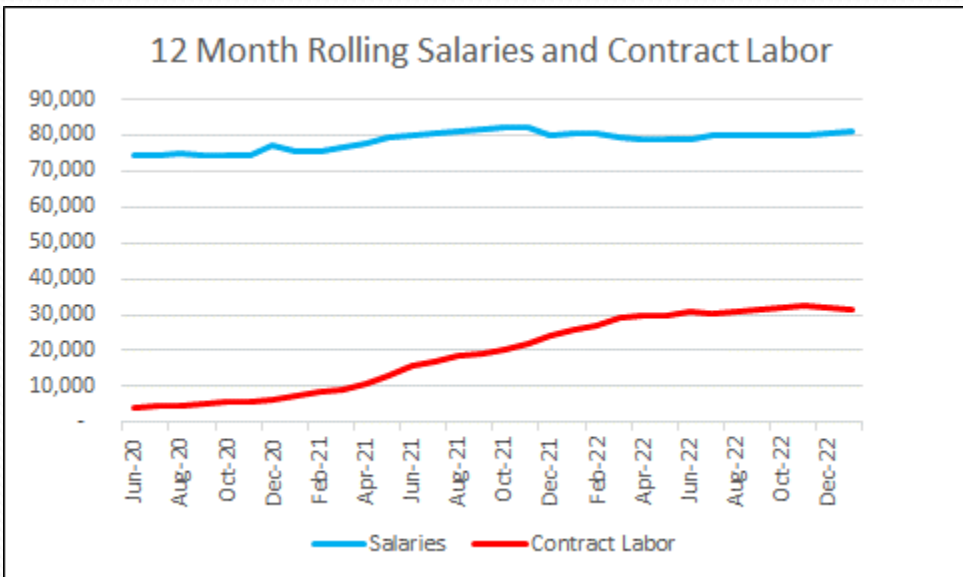
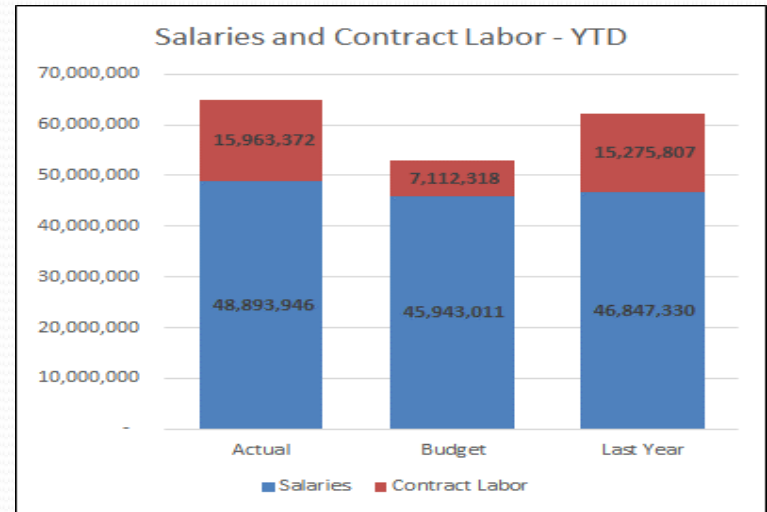
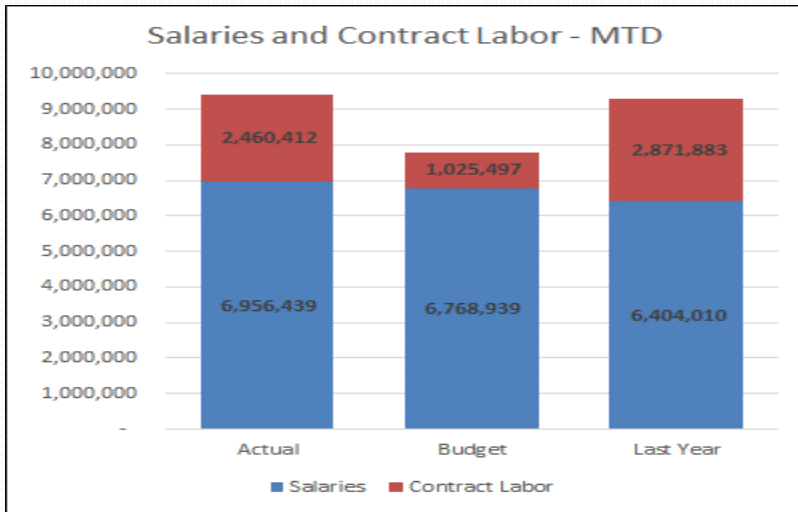
- Net Healthcare Revenue was \$340K favorable to budget for the month and \$531K favorable to prior year
 - Inpatient Gross Revenue was 43.1% above budget and 23.3% higher than last year
 - Outpatient Gross Revenue was 7.1% unfavorable to budget; but, 6.7% above last year
 - Overall Gross Revenue was 11.2% above budget and 13.9% above last year
 - On a rolling 12 month trend IP and OP revenues are stable but Net Revenues show downward shift in rolling trend due to year end adjustments

Payor Mix



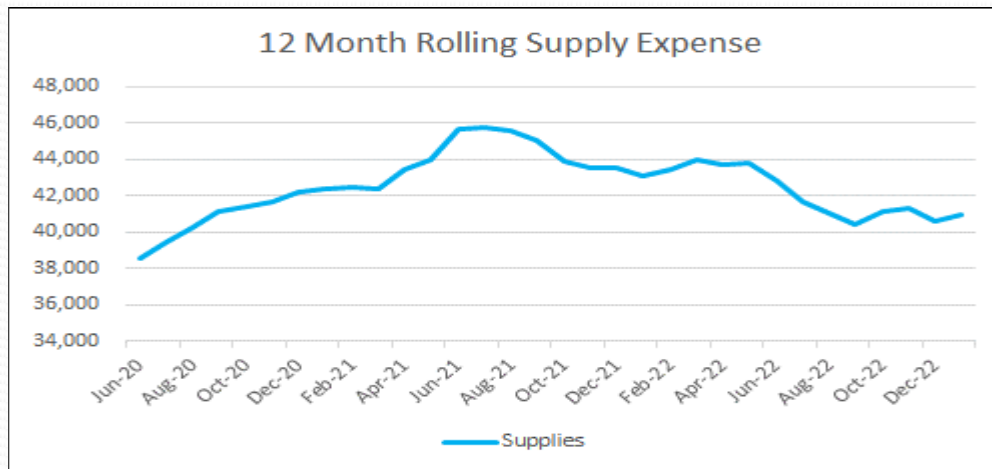
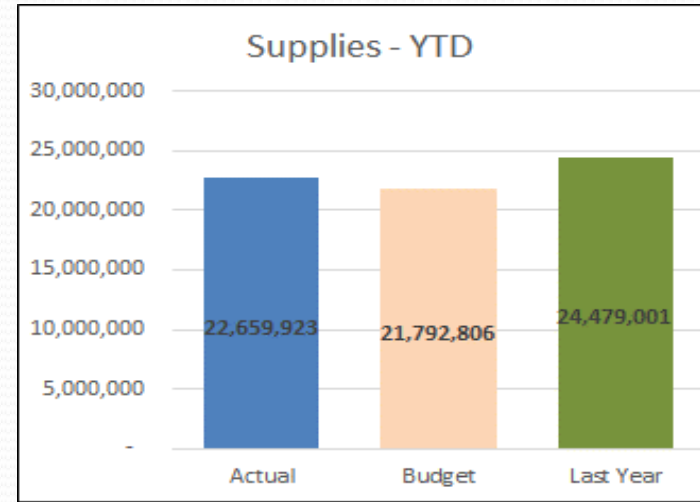
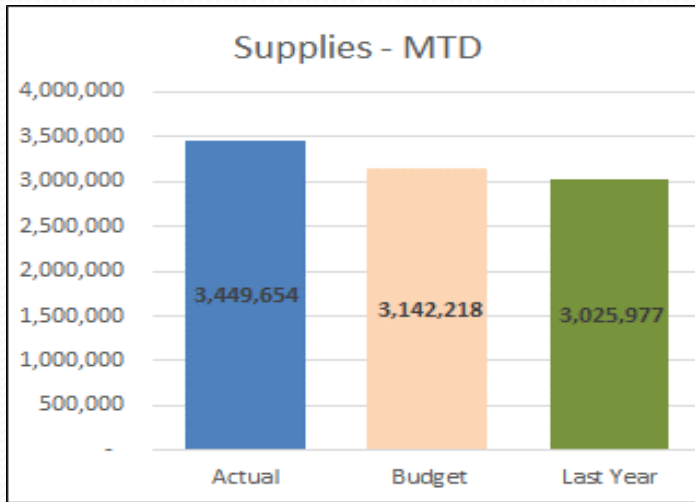
- FY23 Medicare and Medicaid payor volumes are down compared to FY22
- Medicaid Capitation, Commercial, Self Pay, and Other payor volumes are up over FY 22

Salary/FTEs



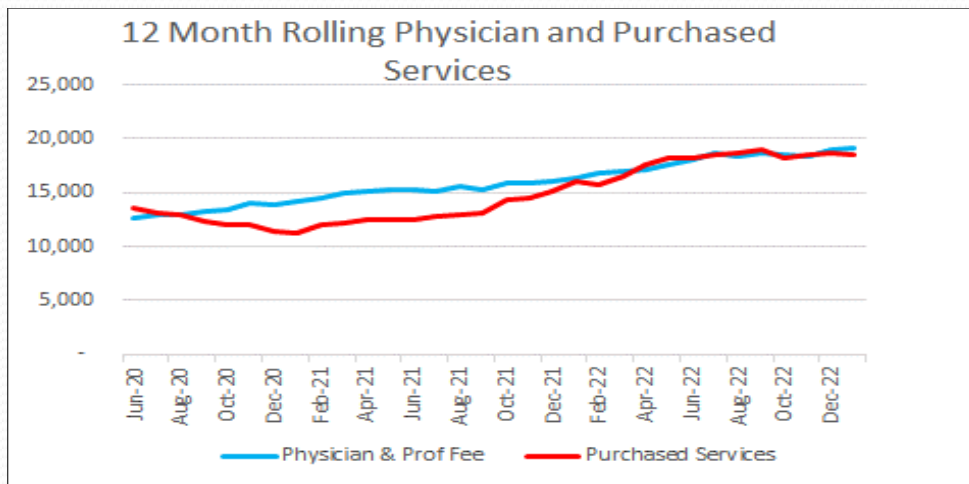
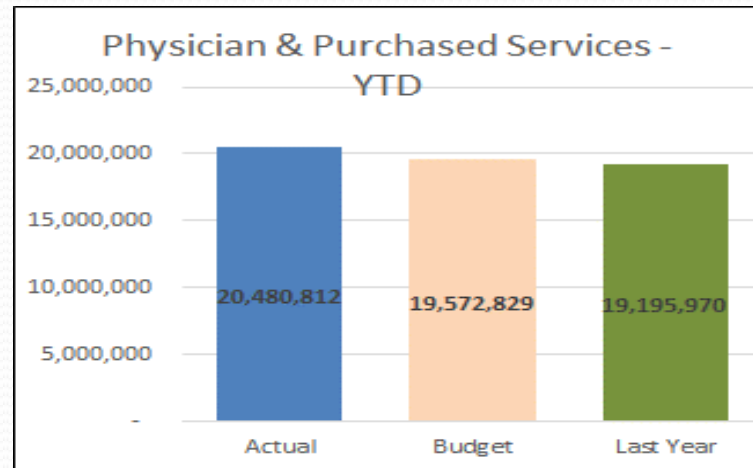
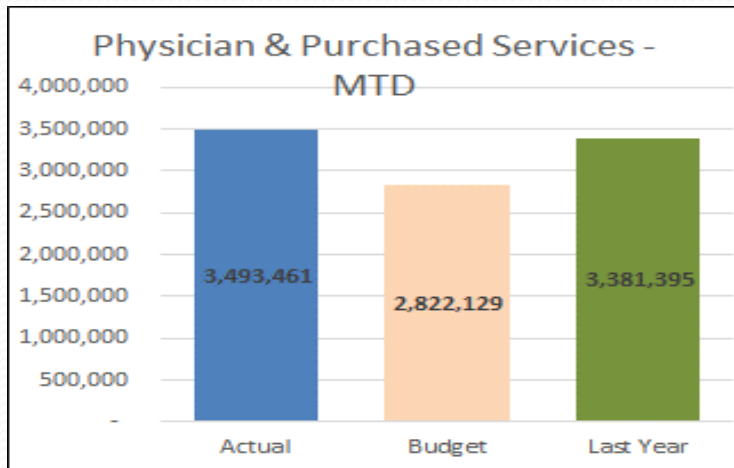
- MTD Salaries are 2.8% over budget and 8.6% above last year; Contract Labor is 139.9% higher than budget and 14.3% lower than last year
- YTD Salaries are 6.4% over budget and 4.4% above last year; Contract Labor is 124.4% higher than budget and 4.5% higher than last year
- On a rolling 12 month basis, salaries are stable and contract labor has leveled off and is beginning to show a slight trend downward

Supplies



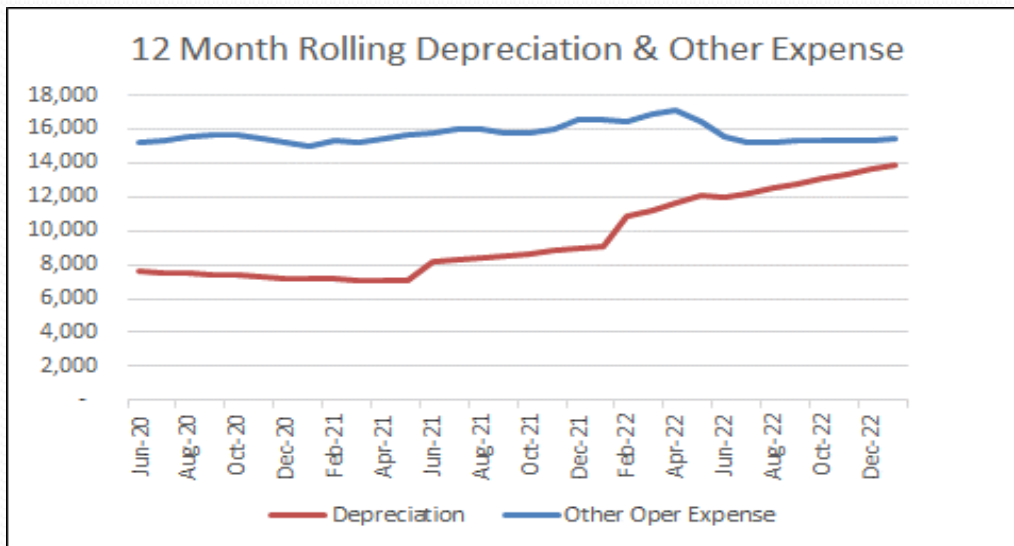
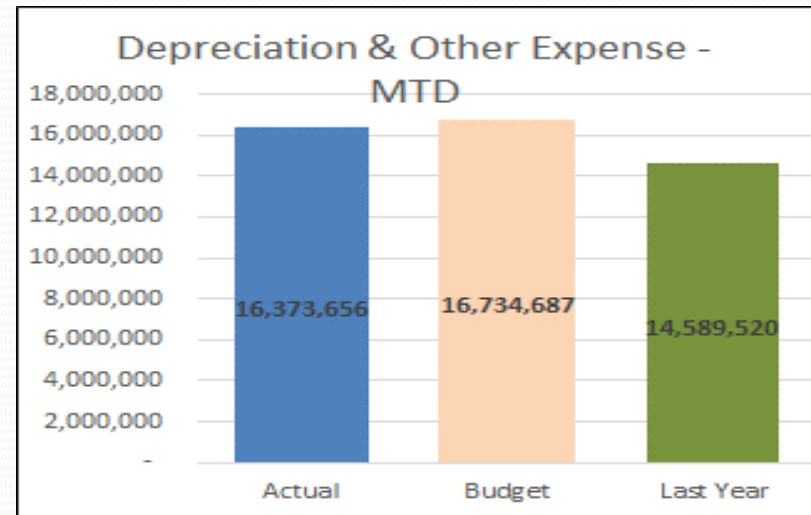
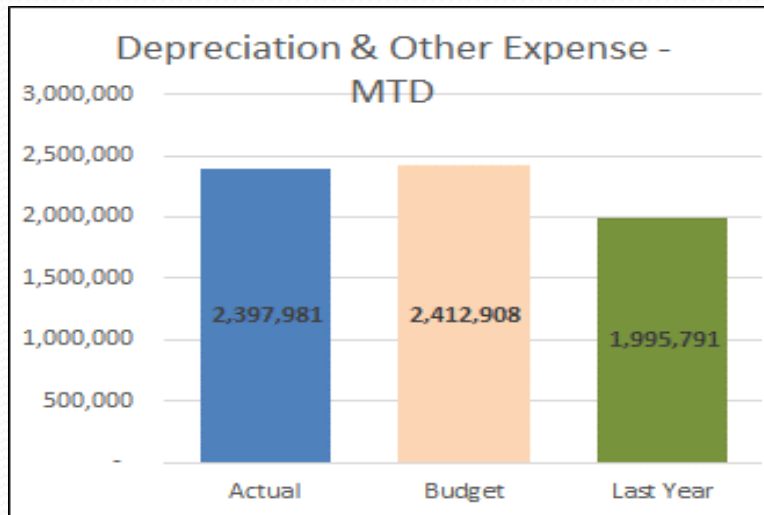
- MTD Supplies are 9.8% over budget and 14.0% higher than last year, as a % of Gross Revenue Supplies this month are the same as last year (6.65% vs 6.64%)
- YTD Supplies are 4.0% over budget and 7.4% below last year, as a % of Gross Revenue Supplies this month are better than last year (6.97% vs 7.49%)
- Rolling 12 month analysis shows supply expense starting to stabilize

Physician and Purchased Services



- MTD is 47.2% over budget and 8.0% above last year primarily in the area of Physicians & Pro Fees
- YTD is 9.1% over budget and 13.2% above last year
- Rolling 12 month analysis shows both categories starting to stabilize with a slight downturn in purchased services

Other (Depreciation, Other Operating)



- MTD is 1.1% below budget and 48.1% above last year
- YTD Other Expenses are 3.1% under budget and 37.4% above last year due to increased depreciation costs
- Rolling 12 month analysis depreciation increasing and other expense stable

Bay Area Hospital
Revenue Cycle Scorecard

	FY23 Goal	Industry Bench-marks	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	FY22 Year End Actual	FY23 YTD Actual
Charges	50,305,257		39,801,179	46,840,710	41,821,853	44,403,082	49,029,102	51,379,826	51,869,630	562,897,702	325,145,382
Net Revenue	17,229,551		13,583,169	15,531,590	14,398,081	16,122,746	16,758,362	18,201,346	17,900,475	181,949,190	112,495,770
Cash Collected	16,712,664		14,019,328	14,924,104	15,856,288	13,300,290	15,927,099	16,280,693	16,748,712	170,845,981	107,056,513
Net to Gross	34.25%		34.13%	33.16%	34.43%	36.31%	34.18%	35.43%	34.51%	32.32%	34.60%
Net Collections	97.00%	86-100%	103.21%	96.09%	110.13%	82.49%	95.04%	89.45%	93.57%	93.90%	95.16%
Net Collections-90day	97.00%	95-98%	202.67%	138.55%	109.32%	86.64%	101.06%	95.61%	95.05%	93.90%	95.16%
AR Balance			64,006,382	63,951,651	63,566,646	66,540,645	78,588,455	81,030,407	78,017,147	66,564,775	78,017,147
Epic AR 90days+			23,480,340	22,576,652	22,937,718	22,778,807	22,822,344	24,470,560	22,498,503	20,891,011	22,498,503
% AR 90+Days	28.0%	15-30%	36.7%	35.3%	36.1%	34.2%	29.0%	30.2%	28.8%	31.4%	28.8%
HB DNFB Days	8.0	3.00	9.3	10.5	11.1	10.4	12.5	14.7	12.0	8.8	11.5
EB AR Days	43.0	30-60	43.6	44.6	45.5	46.4	52.9	51.1	47.1	42.8	47.3
Pre-Service Cash Collection	15%	5-35%	4.8%	2.4%	10.5%	11.7%	1.2%	3.1%	3.2%	2.4%	5.3%
HB Clean Claims	85.0%	90-95%	72.0%	73.0%	74.0%	76.0%	77.0%	76.0%	75.0%	67.3%	74.7%
PB Clean Claim	85.0%	90-95%	41.0%	43.0%	34.0%	37.0%	41.0%	43.0%	44.0%	42.0%	40.4%
HB Overall Denial	10.0%	5-10%	11.8%	11.9%	11.6%	11.5%	11.9%	14.7%	10.7%	12.2%	12.0%
PB Overall Denial	10.0%	5-10%	12.8%	13.7%	11.5%	10.8%	9.9%	9.5%	10.0%	14.1%	11.2%
Case Mix Index			1.5281	1.5078	1.4516	1.5000	1.5468	1.5307			
HB Charges on time	96%	98%	96.0%	95.0%	96.0%	96.0%	95.0%	96.0%	95.0%	95.0%	95.6%

Cash Aging Buckets (age of account when cash was collected)-Does not include CCO payments

<90			11,523,127	11,761,767	11,933,477	10,016,094	11,444,150	12,755,049	12,659,921	132,998,929	82,093,586
90-119			345,813	445,357	666,732	411,128	490,084	524,949	414,717	10,594,094	3,298,780
120-179			435,267	450,614	665,865	432,530	520,254	216,026	505,564	11,007,673	3,226,119
180-269			208,131	436,468	952,123	619,257	515,887	693,539	362,672	11,669,505	3,788,077
270-364			76,462	407,471	167,820	146,542	273,409	300,550	112,637	2,511,570	1,484,890
365+			(34,888)	182,331	287,366	305,540	239,961	210,216	229,219	1,419,771	1,419,745

% of Cash Collected by Account Age Bucket

<90			91.79%	85.95%	81.33%	83.95%	84.87%	86.77%	88.63%	78.14%	86.13%
90-119			2.75%	3.25%	4.54%	3.45%	3.63%	3.57%	2.90%	6.22%	3.46%
120-179			3.47%	3.29%	4.54%	3.63%	3.86%	1.47%	3.54%	6.47%	3.38%
180-269			1.66%	3.19%	6.49%	5.19%	3.83%	4.72%	2.54%	6.86%	3.97%
270-364			0.61%	2.98%	1.14%	1.23%	2.03%	2.04%	0.79%	1.48%	1.56%
365+			-0.28%	1.33%	1.96%	2.56%	1.78%	1.43%	1.60%	0.83%	1.49%