



Month End Financial Narrative
For month ending May 31, 2025

Overall, Bay Area Hospital reported a loss of \$4M in May, against budgeted gain of \$445K. May Gross Revenue was \$61M and Net Revenue ended the month at \$20M, with a Net to Gross Revenue Margin of 32.7%.

Bay Area Hospital Consolidated Income Statement - May 2025 in '000										
	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
Gross Patient Revenue	60,533	64,919	(4,385)	61,385	(852)	680,597	699,533	(18,935)	656,547	24,051
Total Deductions	41,217	42,501	1,284	40,787	(430)	462,888	458,026	(4,862)	436,745	(26,143)
Net Healthcare Revenue	19,316	22,417	(3,101)	20,599	(1,282)	217,709	241,506	(23,797)	219,802	(2,093)
Other Oper Revenue	494	273	221	290	204	4,281	3,000	1,281	3,020	1,261
Total Net Revenue	19,810	22,690	(2,880)	20,888	(1,078)	221,990	244,506	(22,516)	222,822	(832)
Salaries/ Wages & Benefits	10,804	10,384	(420)	9,822	(982)	114,834	112,826	(2,008)	102,976	(11,857)
Contract Labor	1,727	1,406	(321)	2,179	451	19,049	16,907	(2,142)	21,911	2,862
Depreciation	799	958	159	907	108	94,563	104,885	10,323	10,480	1,023
Other Expense	10,429	9,402	(1,027)	8,828	(1,601)	14,519	8,730	(5,788)	92,521	(7,104)
Total Operating Expenses	23,759	22,149	(1,609)	21,736	(2,023)	242,964	243,349	385	227,889	(15,075)
Net Operating Income	(3,949)	541	(4,489)	(847)	(3,101)	(20,974)	1,158	(22,131)	(5,067)	(15,907)
Non Operating Income/(Loss)	(110)	(96)	(15)	(56)	(54)	(492)	(1,016)	524	443	(935)
Net Income	(4,059)	445	(4,504)	(904)	(3,155)	(21,466)	141	(21,607)	(4,624)	(16,842)
Net To Gross	32.7%	35.0%	-2.2%	34.0%	-1.3%	32.6%	35.0%	-2.3%	33.9%	-1.3%
Operating EBIDTA	(3,150)	1,498	(4,648)	60	(3,210)	(11,518)	11,646	(23,164)	5,413	(16,931)
Operating EBIDTA %	-15.9%	6.6%	-22.5%	0.3%	-16.2%	-5.2%	4.8%	-10.0%	2.4%	-7.6%
EBIDTA	(3,083)	1,600	(4,683)	208	(3,292)	(9,950)	12,761	(22,710)	8,148	(18,098)
EBIDTA %	-15.6%	7.0%	-22.6%	1.0%	-16.6%	-4.5%	5.2%	-9.7%	3.7%	-8.1%

VOLUMES

Inpatient Discharges & Days

- May inpatient discharges decreased 28 to budget and 3 to prior year. (585 vs 613 vs 588). Patient days are down 560 to budget and 458 to prior year. (2,000 vs 2,561 vs 2,459). The average length of stay (ALOS) is 3.42 which is lower than budget of 4.18 and last year's 4.18.
- Year to date (YTD) discharges came in under budget by 431 and over last year by 132 (6,189 vs 6,620 vs 6,057). YTD Patient Days are down to budget 2,253 and prior year 103 (25,420 vs 27,673 vs 25,523). ALOS YTD is 4.11 vs 4.18 budget vs 4.21 in prior year.

ED Visits

- ED visits are up 238 to budget and up 64 to prior year. (2,516 vs 2,278 vs 2,452). 15.8% of all ED Visits were admitted in May, compared to 17.2% in prior year.
- Patients leaving without being seen (LWBS) was .68% in May (0.56% in April, 0.42 % in March, 0.39% in February).
- YTD visits are 27,938 vs. 24,616 budgeted vs 24,820 prior year.

Operating Room Cases

- MTD was 41 cases below budget and 15 below prior year (300 vs 341 vs 315). Versus prior year, down 13 cases in Podiatry. Budget included physicians that are no longer in the area.
- YTD surgeries are 456 below budget and 290 below prior year (3,231 vs 3,687 vs 3,521). Primary YTD decrease primarily in Urology down 225 cases.



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Cardiac Cath Cases

- In May there were 114 Cath Lab cases vs. budget of 115 vs. prior year of 93.
- 1,174 YTD cases bringing us 7 below our YTD budget of 1,181 vs 25 below our prior year YTD 1,199 cases.

Outpatient Visits

- OP Visits are down 1,056 from budget and down 640 to prior year. (10,862 vs 11,918 vs 11,502). A 3-month run rate reflects a decrease in Cardiology Clinic and Rad Onc.
- YTD is below budget by 4,756 and prior YTD 3,801 (124,030 vs 128,786 vs 127,831).

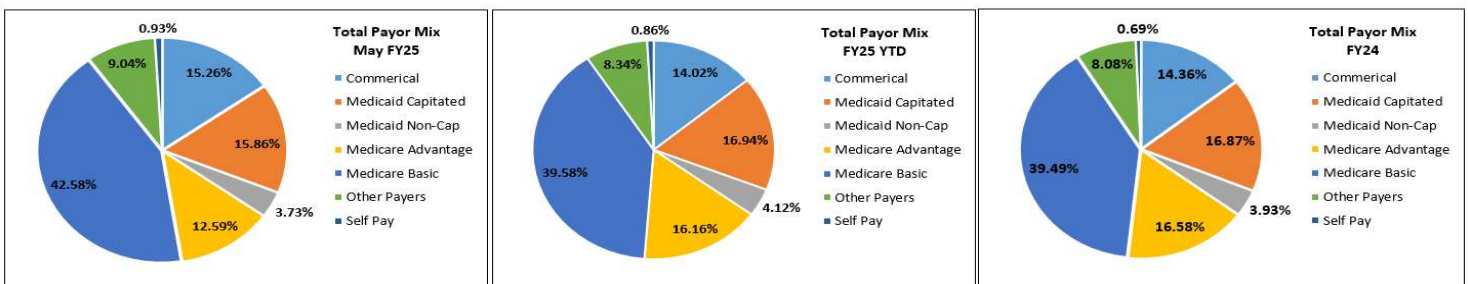
REVENUES

Gross Revenues

- May Gross Revenue totaled \$60.5M, \$4.4M decrease to budget and \$852K decrease to prior year.
- Gross Revenue Variance of \$4.4M vs budget is driven by unfavorable volume decrease of \$9.4M and favorable rate increase of \$5M.

Deductions from Revenue

- As a %, Deductions from Revenue, increase to budget 67.3% vs. 65.1% (32.7% vs 35.0% revenue realization rates).
- Medicare Advantage volumes declined 2% compared to the three-month run rate and 4% year-over-year, resulting in gross charge shortfalls of \$1.4M and \$2.8M, respectively. This was partially offset by a 3.2% increase in Medicare Basic volumes versus the three-month run rate, contributing \$1.5M in gross charges. Overall Medicaid volume decreased 3.3% compared to the three-month run rate, with a resulting gross charge impact of \$2.2M. Commercial volume saw a modest 1.42% increase, adding \$696K in gross charges.
- Commercial payor mix continues to trend downward YOY; FY22: 16.40%, FY23: 15.91%, FY24: 14.36%, FY25 YTD: 14.02%.



Other Revenues

- Current month actuals are \$494K vs \$273K budget vs \$290K last year.
- YTD \$4.2M actual vs \$3M budget vs \$3M last year. Primary increase is due to 340B Pharmacy rebates.

Net Revenues

- Total Net Revenue May is below budget \$2.9M and down to prior year by \$1.1M (\$20M vs. \$23M vs. \$21M).
- YTD is below budget by \$23M and down to prior year by \$832K (\$222M vs. \$245M vs. \$223M).



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EXPENSES

Salaries

- Salaries are \$292K over budget and \$810K over prior year (\$8M vs. \$8.1M vs. \$7.6M). The average hourly rate of \$63.10 for employed staff is over the budgeted rate of \$57.22 and is an increase of \$6.79 above last years \$56.31. PTO usage and pay rate increases are the drivers of the increase.
- Year to date salaries is \$3.6M over budget and \$10M over last year (\$90M vs \$86M vs \$79M).

Contract labor

- May is over budget \$321K and down to prior year \$451K. (\$1.7M vs \$1.4M vs \$2.2M).
- Year to date contract labor is over budget by \$2.1M and under prior year by \$2.9M, (\$19M vs \$17M vs \$22M).

Benefits

- Overall Benefits expense for the month of May are over budget by \$128K, and over prior year by \$171K (\$2.4M actual vs \$2.3M budget vs \$2.2M last year). As a % of wages benefits were 28.27% this month vs 27.71% budget and 29.03% last year.
- Year to date benefits is under budget by \$1.6M and over the prior year by \$1.4M (\$25M vs \$27M vs \$23M). As a % of wages benefits were 27.72% this year vs 30.76% budget and 29.49% prior year.

Physician and Pro-fees

- May physician and professional fees are unfavorable to budget \$122K and prior year \$120K.
- YTD is below budget by (\$1M) and below the prior year by (\$318K).

Supplies

- May supply costs are unfavorable to budget by \$327K, and \$366 to prior year. \$4.3M vs \$4M vs \$4M). Increase primarily driven by pharmacy 340B replenish.
- Supply Expense as a % of Net Revenues are 7.2% actual, 6.2% budget and 6.5% prior year.
- Year to date, supply costs are (\$3.1M) below budget and (\$822K) below prior year. (\$41M vs \$43M vs \$42M). YTD Supply Expense as a % of Net Revenues are 6% actual, 6.3% budget and 6.3% prior year.

Purchased Services

- May purchased service costs are \$604K to budget and up \$987K to prior year (\$2.7M vs \$2.1M vs \$1.8M). Increase primarily driven by \$480K increase in legal expense.
- Year to date, Purchased Services costs are \$1.2M over budget and \$7.6M higher than the prior year (\$25M vs \$23M vs \$17M). The largest variance driver for YTD is increase in legal expense and the outsourcing of Revenue Cycle.

Lease/Rentals

- May Leases/Rentals costs are \$2K unfavorable to budget and favorable \$1K to prior year. (\$17K vs \$14K vs \$18K)
- Year to date, Leases/Rentals costs are over budget \$40K and prior year \$35K. (\$206K vs \$167K vs \$171K).



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Depreciation

- Depreciation costs are favorable \$159K to budget and \$108K favorable to prior year. (\$799K vs \$958K vs \$907K) due to lower subscription amortization since the Workday contract was only renewed for one year.
- Year to date, Depreciation costs are \$1M below budget and prior year. (\$9.5M vs \$10.5M vs \$10.5M).

Other Operating expense

- May Other Operating Expenses are favorable \$28K to budget and over \$130K to prior year due to prior year true up. (\$1.6M vs \$1.6M vs \$1.5M).
- Year to date, Other Operating Expenses are \$1M below budget and up \$74K to prior year. (\$17M vs \$18M vs \$16.5M).

Non-Operating Income and Expense

- May Other Non-Operating Income and Expenses are unfavorable \$74K to budget and \$132K to prior year. (\$27K vs \$101K vs \$159K).
- Year to date, Other Non-Operating Income and Expenses are \$1.6M below budget and \$1.8M decrease to prior year primarily driven by the accelerated disposal/write off the Workday subscription lease asset of \$1.9M in current year. (\$483K vs \$1M vs \$1.4M).

Balance Sheet

- Cash and Cash Equivalents are \$7M at the end of May and Assets limited to use are \$36.7M for an overall cash balance of \$43.7M. Overall cash and investments decreased about \$2.1M to prior month.
- Days Cash on Hand is 62 days.
- Account Receivable (net) decreased \$500K from prior month to close at \$27M for May.
- Current liabilities increased \$2.3M compared to prior month.
- The Current Ratio is 2.48 and Debt to Capitalization is 41.8%.