



Month End Financial Narrative
For month ending June 30, 2025

Overall, Bay Area Hospital reported a loss of \$2.6M in June, against budgeted gain of \$25K. June Gross Revenue was \$59.1M and Net Revenue ended the month at \$18.2M, with a Net to Gross Revenue Margin of 30.8%.

Bay Area Hospital
Consolidated Income Statement - June 2025
in '000

	Month To Date					Year To Date				
	Actual	Budget	Variance	Prior Year	Variance	Actual	Budget	Variance	Prior Year	Variance
Gross Patient Revenue	59,124	62,449	(3,324)	57,662	1,462	739,722	761,981	(22,260)	714,209	25,512
Total Deductions	41,297	40,894	(403)	37,080	(4,216)	504,185	498,920	(5,265)	473,825	(30,360)
Net Healthcare Revenue	17,827	21,555	(3,727)	20,582	(2,755)	235,536	263,061	(27,525)	240,384	(4,848)
Other Oper Revenue	358	273	85	596	(238)	4,640	3,273	1,367	3,616	1,023
Total Net Revenue	18,186	21,827	(3,642)	21,178	(2,992)	240,176	266,334	(26,158)	244,000	(3,824)
Salaries/ Wages & Benefits	9,733	10,102	369	10,901	1,169	124,566	122,655	(1,912)	113,878	(10,689)
Contract Labor	1,817	1,362	(455)	1,883	66	20,866	18,269	(2,597)	23,795	2,928
Depreciation	744	950	206	1,204	460	101,998	114,383	12,385	11,683	1,484
Other Expense	8,341	9,299	958	8,868	527	16,168	9,481	(6,687)	101,389	(6,577)
Total Operating Expenses	20,634	21,712	1,079	22,856	2,222	263,598	264,788	1,190	250,745	(12,853)
Net Operating Income	(2,448)	115	(2,563)	(1,678)	(770)	(23,422)	1,545	(24,968)	(6,745)	(16,677)
Non Operating Income/(Loss)	(120)	(89)	(30)	1,324	(1,444)	(612)	(1,106)	494	1,767	(2,379)
Net Income	(2,568)	25	(2,594)	(354)	(2,214)	(24,034)	440	(24,474)	(4,978)	(19,056)
Net To Gross	30.8%	35.0%	-4.2%	36.7%	-6.0%	32.5%	35.0%	-2.5%	34.2%	-1.7%
Operating EBITDA	(1,705)	1,065	(2,769)	(474)	(1,230)	(13,222)	12,984	(26,206)	4,939	(18,161)
Operating EBITDA %	-9.4%	4.9%	-14.3%	-2.2%	-7.1%	-5.5%	4.9%	-10.4%	2.0%	-7.5%
EBITDA	(1,530)	1,166	(2,696)	970	(2,500)	(11,480)	14,200	(25,679)	9,118	(20,598)
EBITDA %	-8.4%	5.3%	-13.8%	4.6%	-13.0%	-4.8%	5.3%	-10.1%	3.7%	-8.5%

VOLUMES

Inpatient Discharges & Days

- June inpatient discharges decreased 150 to budget and 166 to prior year. (443 vs 593 vs 609). Patient days are down 520 to budget and 467 to prior year (1,958 vs 2,478 vs 2,425). The average length of stay (ALOS) is 4.42 which is higher than budget of 4.18 and last year's 3.98.
- Year to date (YTD) discharges came in under budget by 673 and below last year by 126 (6,540 vs 7,213 vs 6,666). YTD Patient Days are down to budget 2,774 and prior year 570 (27,378 vs 30,152 vs 27,948). ALOS YTD is 4.19 vs 4.18 budget vs 4.19 in prior year.

ED Visits

- ED visits are up 264 to budget and up 161 to prior year (2,468 vs 2,204 vs 2,307). 15.4% of all ED Visits were admitted in June, compared to 17.4% in prior year.
- Patients leaving without being seen (LWBS) was .53% in June (0.68% in June, 0.56% in April, 0.42 % in March, 0.39% in February).
- YTD visits are 30,406 vs. 26,820 budgeted vs 27,127 prior year.

Operating Room Cases

- MTD were 48 cases below budget and 36 below prior year (282 vs 330 vs 318). Versus prior year, down 16 cases in ENT. Budget included physicians that are no longer in the area.
- YTD surgeries are 504 below budget and 326 below prior year (3,513 vs 4,017 vs 3,839). Primary YTD decrease primarily in Urology down 160 cases.



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Cardiac Cath Cases

- In June there were 92 Cath Lab cases vs. budget of 100 vs. prior year of 92.
- 1,266 YTD cases bringing us 15 below our YTD budget of 1,281 vs 25 below our prior year YTD 1,291 cases.

Outpatient Visits

- OP Visits are down 1,054 from budget and up 156 to prior year. (10,479 vs 11,533 vs 10,323). A 3-month run rate reflects a decrease in Cardiology Clinic and Outpatient Infusion.
- YTD is below budget by 5,812 and prior YTD 3,647 (134,507 vs 140,319 vs 138,154).

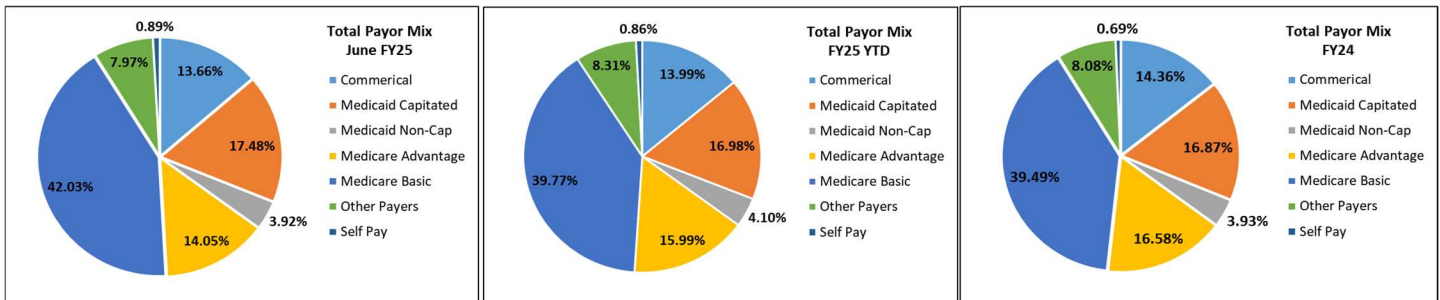
REVENUES

Gross Revenues

- June Gross Revenue totaled \$59.1M, \$3.3M decrease to budget and \$1.5M higher than prior year.
- Gross Revenue Variance of \$3.3M vs budget is driven by unfavorable volume decrease of \$6.0M and favorable rate increase of \$2.7M.

Deductions from Revenue

- As a %, Deductions from Revenue, increase to budget 69.2% vs. 65.0% (30.8% vs 35.0% revenue realization rates).
- Year over year, Commercial payors incurred the largest decline in Net Healthcare Revenue (\$4.2M FY25 vs. FY24) followed by Medicaid (\$1.2M) and Medicare Advantage (\$1.1M). These declines in healthcare revenue were only minimally offset by increases in all other payors.
- Commercial payor mix continues to trend downward YOY; FY22: 16.40%, FY23: 15.91%, FY24: 14.36%, FY25 YTD: 13.94%.



Other Revenues

- Current month actuals are \$358K vs \$273K budget vs \$596K last year.
- YTD \$4.6M actual vs \$3.3M budget vs \$3.6M last year. Primary increase is due to 340B Pharmacy rebates.

Net Revenues

- Total Net Revenue June is below budget \$4M and down to prior year by \$3.0M (\$18M vs. \$22M vs. \$21M).
- YTD is below budget by \$26M and down from prior year by \$3.8M (\$240M vs. \$266M vs. \$244M).



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EXPENSES

Salaries

- Salaries are \$151K below budget and \$200K over prior year (\$7.7M vs. \$7.9M vs. \$7.5M). The overall average hourly rate of \$63.01 is over the budgeted rate of \$57.24 and is an increase of \$7.69 above last years \$55.32. PTO usage and pay rate increases are the drivers of the increase.
- Year to date salaries is \$4M over budget and \$11M over last year (\$98M vs \$94M vs \$87M).

Contract labor

- June is over budget \$455K and down to prior year \$66K. (\$1.8M vs \$1.4M vs \$1.9M).
- Year to date contract labor is over budget by \$2.6M and under prior year by \$2.9M, (\$21M vs \$18M vs \$24M).

Benefits

- Overall Benefits expense for the month of June are under budget by \$218K, and under prior year by \$1.4M (\$2.0M actual vs \$2.2M budget vs \$3.4M last year). As a % of wages benefits were 26.09% this month vs 28.36% budget and 44.99% last year.
- Year to date benefits is under budget by \$1.6M and over the prior year by \$103K (\$26.9M vs \$28.5M vs \$26.8M). As a % of wages benefits were 27.59% this year vs 30.27% budget and 30.83% prior year.

Physician and Pro-fees

- June physician and professional fees were favorable to budget \$147K and prior year \$470K.
- YTD is below budget by \$1M and below the prior year by \$669K.

Supplies

- June supply costs are favorable to budget by \$690K, and unfavorable \$74K to prior year (\$3.3M vs \$4.0M vs \$3.2M). Reduction in expense primarily driven by decline in volumes.
- Supply Expense as a % of Net Revenues are 18.3% actual, 18.3% budget and 15.5% prior year.
- Year to date, supply costs are \$3.5M below budget and \$366K below prior year (\$44M vs \$48M vs \$45M). YTD Supply Expense as a % of Net Revenues are 18.8% actual, 18.2% budget and 18.6% prior year.

Purchased Services

- June purchased service costs are \$138K below budget and \$133K lower than prior year (\$2.0M vs \$2.1M vs \$2.1M).
- Year to date, Purchased Services costs are \$1.0M over budget and \$7.5M higher than the prior year (\$26M vs \$25M vs \$19M). The largest variance driver for YTD is increase in legal expense and the outsourcing of Revenue Cycle.

Lease/Rentals

- June Leases/Rentals costs are \$4K favorable to budget and favorable \$4K to prior year (\$10.8K vs \$14.5K vs \$15.1K).
- Year to date, Leases/Rentals costs are over budget \$36K and prior year \$31K (\$217K vs \$181K vs \$186K).



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Depreciation

- Depreciation costs are favorable \$206K to budget and \$460K favorable to prior year (\$744K vs \$950K vs \$1.2M) 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 (\$10.2M vs \$11.4M vs \$11.7M).

Other Operating expense

- June Other Operating Expenses are unfavorable \$21K to budget and \$8K over prior year (\$1.6M vs \$1.6M vs \$1.6M).
- Year to date, Other Operating Expenses are \$1M below budget and up \$82K to prior year (\$18M vs \$19M vs \$18M).

Non-Operating Income and Expense

- June Other Non-Operating Income and Expenses are unfavorable \$30K to budget and \$1.4M to prior year (-\$120K vs -\$89K vs \$1.3M).
- Year to date, Other Non-Operating Income and Expenses are \$494M favorable to budget and \$2.4M unfavorable to prior year primarily driven by the accelerated disposal/write off the Workday subscription lease asset of \$1.9M in current year (-\$612K vs -\$1.1M vs \$1.8M).

Balance Sheet

- Cash and Cash Equivalents are \$9.5M at the end of June and Assets limited to use are \$32.4M for an overall cash balance of \$41.9M. Overall cash and investments decreased about \$1.9M to prior month.
- Days Cash on Hand is 62 days.
- Account Receivable (net) decreased \$4.2M from prior month to close at \$22.6M for June.
- Current liabilities decreased \$4.1M compared to prior month.
- The Current Ratio is 2.62 and Debt to Capitalization is 42.6%.