

Financial Performance

May 2020

ANTELOPE VALLEY
HOSPITAL

A facility of Antelope Valley Healthcare District



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Statement of Income – May (thousands)

May 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 28,988	\$ 33,918	\$ 29,373	\$ (4,930)	\$ (385)
Supplemental Funds/Settlements	6,941	3,319	12,473	3,622	(5,533)
Other Operating Revenue	1,149	1,325	876	(176)	273
Total Operating Revenues	\$ 37,078	\$ 38,562	\$ 42,723	\$ (1,484)	\$ (5,645)
Expenses					
Productive Salaries	\$ 14,359	\$ 13,975	\$ 13,166	\$ 384	\$ 1,193
Non-Productive Salaries	2,364	2,515	2,404	(152)	(40)
Registry/Contract Labor	1,186	1,063	1,271	123	(85)
Benefits	7,769	5,776	5,625	1,993	2,144
Total Supplies	4,602	5,785	5,433	(1,184)	(832)
Purchased Svcs	2,780	2,384	2,721	396	59
Other	3,733	4,778	7,591	(1,044)	(3,857)
Total Operating Expenses	\$ 36,793	\$ 36,277	\$ 38,210	\$ 516	\$ (1,417)
EBIDA	\$ 285	\$ 2,285	\$ 4,513	\$ (2,000)	\$ (4,228)
<i>EBIDA Margin</i>	<i>0.8%</i>	<i>5.9%</i>	<i>10.6%</i>		
Depreciation and Amortization	1,780	1,587	1,613	194	168
Interest Expense	506	504	538	2	(31)
Operating Income (loss)	\$ (2,002)	\$ 194	\$ 2,363	\$ (2,195)	\$ (4,364)
Investment Income (loss)	678	526	1,110	152	(432)
Capital Contribution	-	-	-	-	-
NET INCOME (LOSS)	\$ (1,324)	\$ 720	\$ 3,473	\$ (2,044)	\$ (4,797)
<i>Net Profit (loss)Margin</i>	<i>-3.6%</i>	<i>1.9%</i>	<i>8.1%</i>		
EBIDA w/o Supplemental and IGT	\$ (6,389)	\$ (477)	\$ (3,926)	\$ (5,911)	\$ (2,462)



EBIDA w/o Supplemental and IGT

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Statement of Income – Year to Date (thousands)

May 2020 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 351,187	\$ 360,121	\$ 339,481	\$ (8,934)	\$ 11,706
Supplemental Funds/Settlements	42,077	34,723	34,408	7,353	7,669
Other Operating Revenue	13,670	14,356	15,203	(686)	(1,533)
Total Operating Revenues	\$ 406,933	\$ 409,200	\$ 389,091	\$ (2,267)	\$ 17,842
Expenses					
Productive Salaries	\$ 152,296	\$ 147,746	\$ 138,093	\$ 4,550	\$ 14,203
Non-Productive Salaries	25,773	26,599	25,791	(826)	(18)
Registry/Contract Labor	10,704	11,695	12,368	(991)	(1,664)
Benefits	58,195	62,874	61,641	(4,679)	(3,445)
Total Supplies	61,287	56,226	54,095	5,061	7,192
Purchased Svcs	28,010	26,225	27,083	1,785	928
Other	53,094	52,554	54,116	540	(1,022)
Total Operating Expenses	\$ 389,360	\$ 383,919	\$ 373,187	\$ 5,441	\$ 16,173
EBIDA	\$ 17,574	\$ 25,281	\$ 15,904	\$ (7,708)	\$ 1,669
<i>EBIDA Margin</i>	4.3%	6.2%	4.1%		
Depreciation and Amortization	17,637	17,455	16,417	182	1,220
Interest Expense	5,692	5,545	5,930	147	(238)
Operating Income (loss)	\$ (5,755)	\$ 2,281	\$ (6,442)	\$ (8,037)	\$ 687
Investment Income (loss)	6,896	5,702	6,389	1,194	506
Capital Contribution	1,289	-	111	1,289	1,178
NET INCOME (LOSS)	\$ 2,429	\$ 7,983	\$ 58	\$ (5,554)	\$ 2,371
<i>Net Profit (loss)Margin</i>	0.6%	2.0%	0.0%		
EBIDA w/o Supplemental and IGT	\$ (21,232)	\$ (3,313)	\$ (11,817)	\$ (17,920)	\$ (9,416)



EBIDA w/o Supplemental and IGT

\$ (21,232)	\$ (3,313)	\$ (11,817)	\$ (17,920)	\$ (9,416)
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Key Financial Ratios

May 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	-3.6%	1.9%	8.1%	-5.4%	-11.7%
Operating Income (Loss) Margin %	-5.4%	0.5%	5.5%	-5.9%	-10.9%
EBIDA (Loss) Margin %	0.8%	5.9%	10.6%	-5.2%	-9.8%
Outpatient Revenue %	32.6%	34.2%	37.1%	-1.6%	-4.5%
Realization Rate on Gross Charges	21.8%	20.3%	19.3%	1.5%	2.5%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 29,147	\$ 33,200	\$ 32,884	\$(4,053)	\$(3,737)
Cash Collections/Net Patient Revenue	100.5%	97.9%	112.0%	2.7%	-11.4%

May 2020 YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	0.6%	2.0%	0.0%	-1.4%	0.6%
Operating Income (Loss) Margin %	-1.4%	0.6%	-1.7%	-2.0%	0.2%
EBIDA (Loss) Margin %	4.3%	6.2%	4.1%	-1.9%	0.2%
Outpatient Revenue %	35.3%	34.5%	34.9%	0.8%	0.4%
Realization Rate on Gross Charges	20.8%	20.7%	20.2%	0.0%	0.5%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 361,072	\$ 367,365	\$ 333,472	\$(6,292)	27,600
Cash Collections/Net Patient Revenue	102.8%	102.0%	98.2%	0.8%	4.6%



Ratios and Debt Covenant Requirements

**May 2020
YTD**

	Actual	Last Year	Last Year Variance
<u>Working Capital Indicators</u>			
Net Days in Accounts Receivable - 3 month lookback	53.3	58.1	(4.8)
Working Capital (in thousands)	\$ 57,863	\$ 52,081	\$ 5,782
Current Ratio	1.2	1.2	0.0
Inventory Turnover	8.6	8.0	0.5
<u>Operating Cash</u>			
Operating Liquid Cash (in thousands)	\$ 87,574	\$ 78,433	\$ 9,141
Total Cash (in thousands)	\$ 250,661	\$ 214,885	\$ 35,776
Operating Liquid Cash and Mkt Securities as % of Debt	168.5%	137.7%	30.8%
Debt To Capitalization	48.2%	49.1%	1.0%
Average Age of Plant (in years)	15.1	15.3	(0.2)
<u>Bond Covenant Requirements</u>			
Days Cash on Hand	191.2	Requirement 55.0	31.1



**ANTELOPE VALLEY
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Metrics - Monthly

May 2020

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 15,127	\$ 15,169	\$ 14,967	\$ (42)	\$ 160
Net Patient Revenue Adj Patient Day	\$ 3,299	\$ 3,074	\$ 2,885	\$ 225	\$ 415
Contractuals as a % of Gross Revenue	79.5%	77.0%	78.1%	2.6%	1.4%
Charity / Bad Debt as a % of Gross Revenue	-1.4%	2.7%	2.6%	-4.1%	-4.0%

Labor Metrics

FTEs: Productive (Excluding Registry)	1,970	1,903	1,871	67	99
FTEs: Non-Productive	249	327	283	(78)	(34)
FTEs: Contract Labor/Registry	67	66	78	2	(10)
FTEs: Total	2,286	2,295	2,232	(8)	55

Productive FTEs / AOB	7.19	5.53	5.93	1.66	1.26
Paid FTEs / AOB	8.07	6.45	6.79	1.62	1.27

FTEs Contract Labor as % of FTEs Total Labor	3.0%	2.9%	3.5%	0.1%	-0.5%
Labor Cost as % of Total Operating Revenue	69.3%	60.5%	52.6%	8.8%	16.7%
Benefits as % of Labor (Excluding Registry)	46.5%	35.0%	36.1%	11.4%	10.3%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 17,930	\$ 13,274	\$ 15,339	\$ 4,656	\$ 2,591
Total Operating Expenses / Adj Patient Day	\$ 4,188	\$ 3,288	\$ 3,753	\$ 900	\$ 435
Total Supplies / Adj Discharge	\$ 2,242	\$ 2,117	\$ 2,181	\$ 126	\$ 61
Total Supplies / Adj Patient Day	\$ 524	\$ 524	\$ 534	\$ (1)	\$ (10)
Total Supplies as % of Total Operating Revenue	12.4%	15.0%	12.7%	-2.6%	-0.3%



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Metrics – Year to Date

May 2020
YTD

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 14,960	\$ 14,443	\$ 14,926	\$ 518	\$ 35
Net Patient Revenue Adj Patient Day	\$ 3,105	\$ 2,995	\$ 3,020	\$ 110	\$ 85
Contractuals as a % of Gross Revenue	78.1%	76.9%	77.1%	1.1%	1.0%
Charity / Bad Debt as a % of Gross Revenue	1.2%	2.3%	2.7%	-1.2%	-1.5%

Labor Metrics

FTEs: Productive (Excluding Registry)	1,940	1,873	1,811	67	129
FTEs: Non-Productive	289	321	299	(32)	(10)
FTEs: Contract Labor/Registry	58	67	71	(9)	(13)
FTEs: Total	2,287	2,261	2,181	26	106

Productive FTEs / AOB	5.94	5.42	5.61	0.52	0.33
Paid FTEs / AOB	6.79	6.32	6.50	0.48	0.29

FTEs Contract Labor as % of FTEs Total Labor	2.6%	3.0%	3.3%	-0.4%	-0.7%
Labor Cost as % of Total Operating Revenue	60.7%	60.8%	61.1%	-0.1%	-0.5%
Benefits as % of Labor (Excluding Registry)	32.7%	36.1%	37.6%	-3.4%	-4.9%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 14,453	\$ 13,351	\$ 13,771	\$ 1,101	\$ 682
Total Operating Expenses / Adj Patient Day	\$ 3,443	\$ 3,193	\$ 3,320	\$ 250	\$ 122

Total Supplies / Adj Discharge	\$ 2,275	\$ 1,955	\$ 1,996	\$ 320	\$ 279
Total Supplies / Adj Patient Day	\$ 542	\$ 468	\$ 481	\$ 74	\$ 61
Total Supplies as % of Total Operating Revenue	15.1%	13.7%	13.9%	1.3%	1.2%

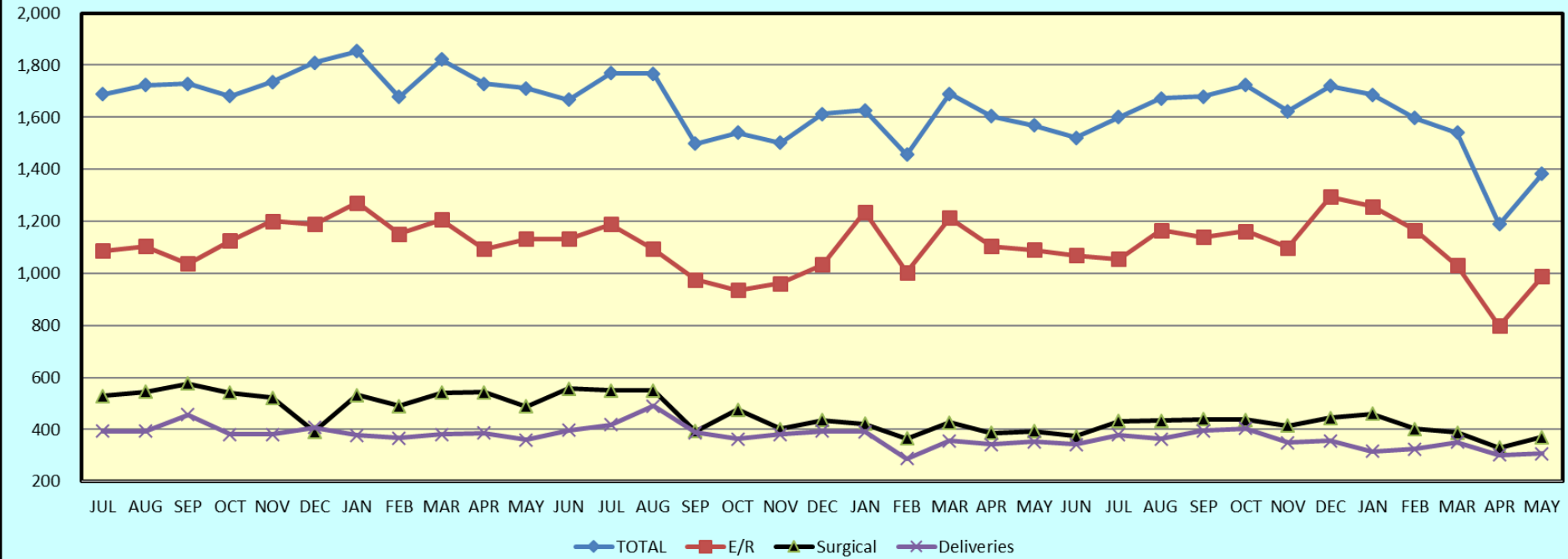


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Admissions Trends July 2017 – May 2020

Admissions Trends July 2017 - May 2020



Volumes – May

May 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
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Volumes

Acute Discharges	1,383	1,802	1,568	(419)	(185)
Adjusted Discharges	2,052	2,733	2,491	(681)	(439)
Acute Patient Days	5,921	7,274	6,408	(1,353)	(487)
Adjusted Patient Days	8,786	11,034	10,182	(2,248)	(1,396)
Observations (as Patient Days)	278	389	280	(111)	(2)
Average Daily Census	191	235	207	(44)	(16)
Adjusted Occupied Bed	283	356	328	(73)	(45)
General Acute LOS	4.28	4.04	4.09	0.24	0.19
General Acute CMI	1.42	1.34	1.33	0.08	0.09
Medicare Acute LOS	5.33	5.22	5.32	0.11	0.02
AVH GM LOS	3.56	4.00	3.72	(0.44)	(0.16)
CMS GM LOS	4.15	4.00	3.90	0.15	0.25
Medicare CMI	2.08	1.85	1.73	0.23	0.35



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Volumes – May (continued)

May 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	308	364	354	(56)	(46)
I/P Surgeries-WIP	120	128	120	(8)	0
Trauma Cases	109	115	116	(6)	(7)
E/R Visits	7,435	10,590	11,067	(3,155)	(3,632)
E/R Admits	989	1,222	1,090	(233)	(101)
E/R Conversion to I/P %	13.3%	11.5%	9.8%	1.8%	3.5%
E/R Admits to Total Admits %	71.5%	67.8%	69.5%	3.7%	2.0%
I/P Surgeries	251	354	272	(103)	(21)
O/P Surgeries	218	320	338	(102)	(120)
Total Surgeries	469	674	610	(205)	(141)



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Volumes – Year to Date

**May 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	17,416	18,853	17,634	(1,437)	(218)
Adjusted Discharges	26,940	28,755	27,099	(1,815)	(159)
Acute Patient Days	73,254	78,844	73,176	(5,590)	78
Adjusted Patient Days	113,101	120,243	112,399	(7,142)	702
Observations (as Patient Days)	3,822	3,699	3,420	123	402
Average Daily Census	218	235	218	(17)	0
Adjusted Occupied Bed	337	358	336	(21)	1
General Acute LOS	4.21	4.18	4.15	0.02	0.06
General Acute CMI	1.37	1.34	1.30	0.03	0.07
Medicare Acute LOS	5.19	5.40	5.35	(0.21)	(0.16)
AVH GM LOS	3.71	4.00	3.91	(0.29)	(0.20)
CMS GM LOS	4.15	4.00	3.90	0.15	0.25
Medicare CMI	1.92	1.85	1.79	0.07	0.13



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Volumes – Year to Date (continued)

**May 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	3,854	4,266	4,171	(412)	(317)
I/P Surgeries-WIP	1,372	1,426	1,405	(54)	(33)
Trauma Cases	1,229	1,246	1,164	(17)	65
E/R Visits	113,208	119,411	116,650	(6,203)	(3,442)
E/R Admits	12,157	12,816	11,837	(659)	320
E/R Conversion to I/P %	10.7%	10.7%	10.1%	0.0%	0.6%
E/R Admits to Total Admits %	69.8%	68.0%	67.1%	1.8%	2.7%
I/P Surgeries	3,184	3,570	3,395	(386)	(211)
O/P Surgeries	3,407	3,647	3,496	(240)	(89)
Total Surgeries	6,591	7,217	6,891	(626)	(300)



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Gross Charges by Payor Mix

May 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	18.7%	17.9%	18.6%	0.8%	0.1%
Medicare Mgd Care	19.1%	17.0%	15.8%	2.1%	3.4%
MediCal	11.5%	9.9%	13.1%	1.6%	-1.6%
MediCal Mgd Care	26.4%	28.7%	29.9%	-2.3%	-3.6%
Commercial - Mgd Care	21.9%	22.1%	21.5%	-0.2%	0.4%
Other	1.0%	2.1%	0.4%	-1.0%	0.6%
Self Pay	1.3%	2.3%	0.6%	-1.0%	0.7%

May 2020
YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	18.6%	17.8%	18.0%	0.8%	0.6%
Medicare Mgd Care	17.7%	16.9%	16.7%	0.8%	1.1%
MediCal	11.0%	10.1%	10.7%	0.8%	0.3%
MediCal Mgd Care	29.1%	29.2%	29.3%	-0.1%	-0.2%
Commercial - Mgd Care	20.9%	21.6%	21.6%	-0.7%	-0.7%
Other	1.7%	2.0%	1.9%	-0.3%	-0.1%
Self Pay	1.1%	2.4%	2.0%	-1.3%	-0.9%



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Payor Mix Graph

Payor Mix (Gross Charges)

Medicare	36.3%
Medi-Cal	40.0%
Commercial	20.9%
Other	1.7%
Self-Pay	1.1%

