

Financial Performance

August 2019

ANTELOPE VALLEY
HOSPITAL

A facility of Antelope Valley Healthcare District



Statement of Income – August (in thousands)

August 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 32,988	\$ 34,052	\$ 33,314	\$ (1,064)	\$ (326)
Supplemental Funds/Settlements	2,076	3,430	288	(1,354)	1,788
Other Operating Revenue	1,237	1,325	692	(88)	545
Total Operating Revenues	\$ 36,301	\$ 38,806	\$ 34,294	\$ (2,505)	\$ 2,007
Expenses					
Productive Salaries	\$ 13,764	\$ 14,029	\$ 12,545	\$ (265)	\$ 1,219
Non-Productive Salaries	2,450	2,526	2,734	(76)	(284)
Registry/Contract Labor	1,030	1,063	927	(33)	103
Benefits	5,172	5,788	6,039	(616)	(868)
Total Supplies	5,780	5,953	5,221	(173)	559
Purchased Svcs	2,226	2,384	2,301	(158)	(75)
Other	4,307	4,778	4,196	(470)	111
Total Operating Expenses	\$ 34,729	\$ 36,521	\$ 33,964	\$ (1,792)	\$ 765
EBIDA	\$ 1,572	\$ 2,285	\$ 330	\$ (714)	\$ 1,242
<i>EBIDA Margin</i>	4.3%	5.9%	1.0%		
Depreciation and Amortization	1,640	1,587	1,253	53	387
Interest Expense	533	504	547	29	(14)
Operating Income (loss)	\$ (601)	\$ 194	\$ (1,470)	\$ (796)	\$ 869
Investment Income (loss)	1,295	526	580	769	714
Capital Contribution	-	-	-	-	-
NET INCOME (LOSS)	\$ 694	\$ 721	\$ (890)	\$ (27)	\$ 1,584
<i>Net Profit (loss)Margin</i>	1.9%	1.9%	-2.6%		
EBIDA w/o Supplemental and IGT	\$ (169)	\$ (587)	\$ 42	\$ 418	\$ (211)



Statement of Income – Year to Date (in thousands)

August 2019 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Revenues</u>					
Net Patient Revenue	\$ 65,674	\$ 68,259	\$ 66,621	\$ (2,585)	\$ (947)
Supplemental Funds/Settlements	4,145	6,863	582	(2,718)	3,563
Other Operating Revenue	2,320	2,649	1,273	(329)	1,047
Total Operating Revenues	\$ 72,139	\$ 77,771	\$ 68,476	\$ (5,632)	\$ 3,663
<u>Expenses</u>					
Productive Salaries	\$ 27,186	\$ 28,134	\$ 25,326	\$ (947)	\$ 1,860
Non-Productive Salaries	4,819	5,066	5,140	(246)	(320)
Registry/Contract Labor	2,116	2,126	1,844	(10)	272
Benefits	9,973	11,573	11,548	(1,600)	(1,576)
Total Supplies	11,274	11,978	10,266	(703)	1,009
Purchased Svcs	4,720	4,768	4,839	(48)	(119)
Other	9,044	9,555	8,094	(511)	951
Total Operating Expenses	\$ 69,133	\$ 73,200	\$ 67,056	\$ (4,067)	\$ 2,076
<u>EBIDA</u>	\$ 3,006	\$ 4,571	\$ 1,419	\$ (1,565)	\$ 1,587
<i>EBIDA Margin</i>	4.2%	5.9%	2.1%		
Depreciation and Amortization	3,282	3,174	2,468	108	815
Interest Expense	1,065	1,008	1,092	57	(26)
<u>Operating Income (loss)</u>	\$ (1,341)	\$ 389	\$ (2,140)	\$ (1,731)	\$ 799
Investment Income (loss)	1,353	1,052	917	301	436
Capital Contribution	-	-	-	-	-
<u>NET INCOME (LOSS)</u>	\$ 12	\$ 1,441	\$ (1,224)	\$ (1,430)	\$ 1,235
<i>Net Profit (loss)Margin</i>	0.0%	1.9%	-1.8%		
<u>EBIDA w/o Supplemental and IGT</u>	\$ (469)	\$ (1,177)	\$ 837	\$ 709	\$ (1,306)



Volumes - August

August 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	1,673	1,862	1,768	(189)	(95)
Adjusted Discharges	2,678	2,870	2,779	(192)	(101)
Acute Patient Days	6,416	7,275	6,722	(859)	(306)
Adjusted Patient Days	10,271	11,214	10,565	(943)	(294)
Observations (as Patient Days)	340	371	277	(31)	63
Average Daily Census	207	235	217	(28)	(10)
Adjusted Occupied Bed	331	362	341	(30)	(9)
General Acute LOS	3.84	3.91	3.80	(0.07)	0.03
General Acute CMI	1.34	1.34	1.20	0.00	0.14
Medicare Acute LOS	4.91	5.05	5.23	(0.13)	(0.31)
AVH GM LOS	3.65	4.00	3.77	(0.35)	(0.12)
CMS GM LOS	3.92	4.00	3.83	(0.08)	0.09
Medicare CMI	1.91	1.85	1.73	0.06	0.18



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Volumes – August (continued)

August 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	363	496	491	(133)	(128)
I/P Surgeries-WIP	139	159	162	(20)	(23)
Trauma Cases	120	115	115	5	5
E/R Visits	11,102	11,235	10,886	(133)	216
E/R Admits	1,165	1,180	1,093	(15)	72
E/R Conversion to I/P %	10.5%	10.5%	10.0%	0.0%	0.5%
E/R Admits to Total Admits %	69.6%	63.4%	61.8%	6.3%	7.8%
I/P Surgeries	295	386	389	(91)	(94)
O/P Surgeries	353	355	325	(2)	28
Total Surgeries	648	741	714	(93)	(66)



Volumes – Year to Date

**August 2019
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	3,274	3,726	3,538	(452)	(264)
Adjusted Discharges	5,227	5,715	5,447	(488)	(220)
Acute Patient Days	12,814	14,550	13,902	(1,736)	(1,088)
Adjusted Patient Days	20,457	22,319	21,387	(1,862)	(930)
Observations (as Patient Days)	687	745	551	(58)	136
Average Daily Census	207	235	224	(28)	(17)
Adjusted Occupied Bed	330	360	345	(30)	(15)
General Acute LOS	3.91	3.90	3.93	0.01	(0.02)
General Acute CMI	1.33	1.30	1.26	0.03	0.07
Medicare Acute LOS	4.98	5.04	5.09	(0.06)	(0.11)
AVH GM LOS	3.64	4.00	3.91	(0.36)	(0.27)
CMS GM LOS	3.92	4.00	3.83	(0.08)	0.09
Medicare CMI	1.85	1.85	1.84	0.00	0.01



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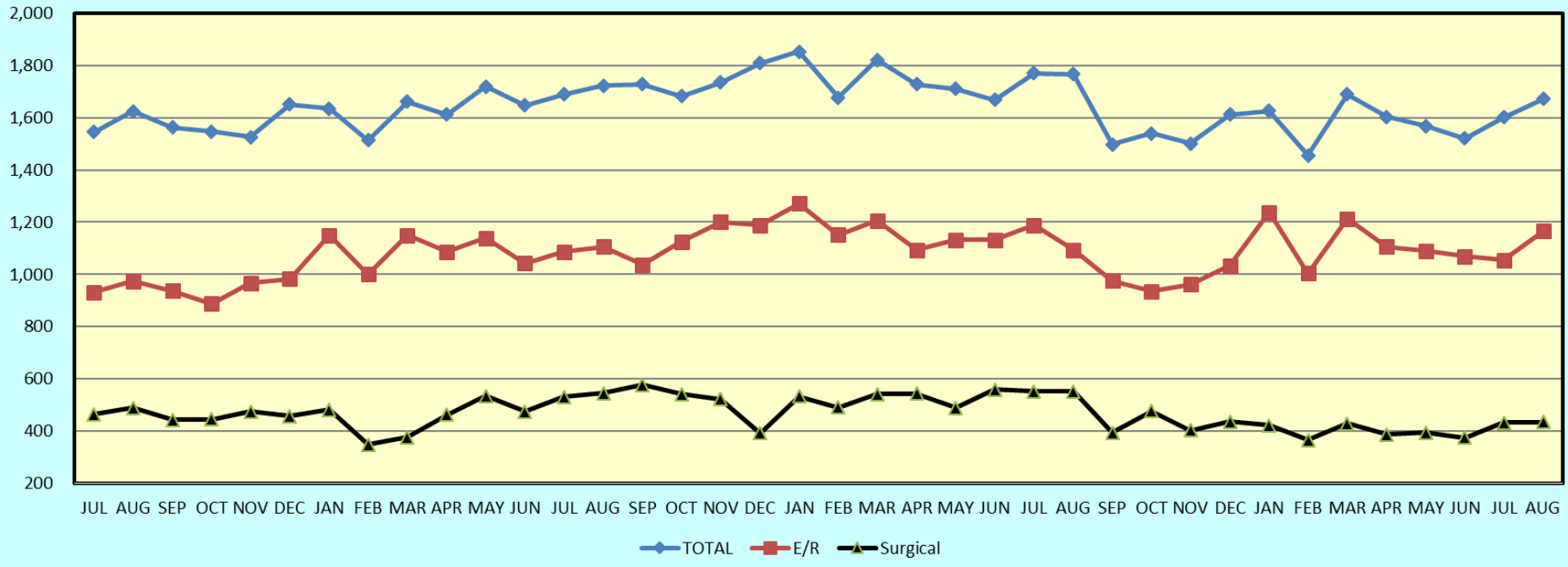
Volumes – Year to Date (continued)

August 2019 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	743	919	910	(176)	(167)
IP Surgeries-WIP	261	294	300	(33)	(39)
Trauma Cases	219	230	237	(11)	(18)
E/R Visits	21,524	22,461	21,758	(937)	(234)
E/R Admits	2,220	2,464	2,282	(244)	(62)
E/R Conversion to I/P %	10.3%	11.0%	10.5%	-0.7%	-0.2%
E/R Admits to Total Admits %	67.8%	66.1%	64.5%	1.7%	3.3%
I/P Surgeries	605	795	802	(190)	(197)
O/P Surgeries	724	683	625	41	99
Total Surgeries	1,329	1,478	1,427	(149)	(98)



Admissions Trends July 2016 – August 2019

Admissions Trends July 2016 - August 2019



Gross Charges by Payor Mix

August 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Payor Mix (Gross Charges)					
Medicare	19.1%	17.6%	17.5%	1.5%	1.6%
Medicare Mgd Care	17.5%	16.7%	16.0%	0.7%	1.5%
MediCal	9.7%	9.9%	10.6%	-0.2%	-0.8%
MediCal Mgd Care	29.7%	29.0%	30.7%	0.7%	-1.1%
Commercial - Mgd Care	21.3%	22.3%	21.3%	-1.0%	0.0%
Other	2.4%	2.1%	2.3%	0.4%	0.1%
Self Pay	0.3%	2.4%	1.5%	-2.0%	-1.2%

August 2019 YTD

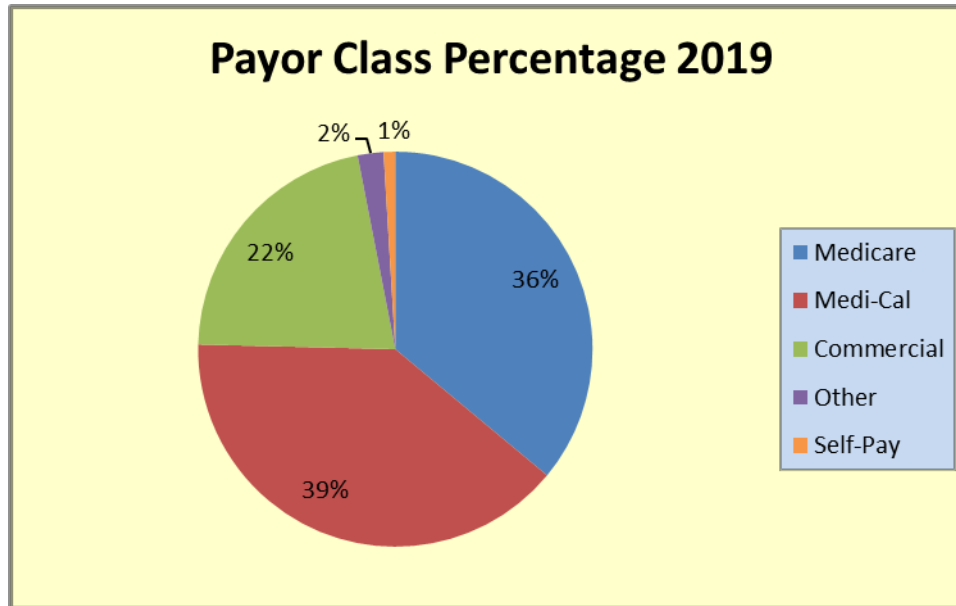
	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Payor Mix (Gross Charges)					
Medicare	19.1%	17.7%	17.8%	1.4%	1.3%
Medicare Mgd Care	16.9%	16.7%	15.1%	0.2%	1.9%
MediCal	9.9%	9.9%	12.1%	0.0%	-2.1%
MediCal Mgd Care	29.4%	29.0%	30.4%	0.5%	-0.9%
Commercial - Mgd Care	21.5%	22.3%	20.8%	-0.7%	0.7%
Other	2.1%	2.1%	2.2%	0.0%	-0.1%
Self Pay	1.0%	2.4%	1.7%	-1.4%	-0.7%



Payor Mix Graph

Payor Mix (Gross Charges)

Medicare	36.0%
Medi-Cal	39.4%
Commercial	21.5%
Other	2.1%
Self-Pay	1.0%



Key Financial Ratios

August 2019

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	1.9%	1.9%	-2.6%	0.1%	4.5%
Operating Income (Loss) Margin %	-1.7%	0.5%	-4.3%	-2.2%	2.6%
EBIDA (Loss) Margin %	4.3%	5.9%	1.0%	-1.6%	3.4%
Outpatient Revenue %	37.5%	35.2%	36.4%	2.4%	1.2%
Realization Rate on Gross Charges	21.0%	20.3%	21.1%	0.7%	0.0%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 32,998	\$ 30,581	\$ 33,689	\$ 2,418	\$(691)
Cash Collections/Net Patient Revenue	100.0%	89.8%	101.1%	10.2%	-1.1%

August 2019

YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	0.0%	1.9%	-1.8%	-1.8%	1.8%
Operating Income (Loss) Margin %	-1.9%	0.5%	-3.1%	-2.4%	1.3%
EBIDA (Loss) Margin %	4.2%	5.9%	2.1%	-1.7%	2.1%
Outpatient Revenue %	37.4%	34.9%	35.0%	2.5%	2.4%
Realization Rate on Gross Charges	21.2%	20.2%	20.8%	0.9%	0.3%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 65,366	\$ 61,506	\$ 67,670	\$ 3,860	\$(2,304)
Cash Collections/Net Patient Revenue	99.5%	90.1%	101.6%	9.4%	-2.0%



Ratios and Debt Covenant Requirements

**August 2019
YTD**

	Actual	Last Year	Last Year Variance
<u>Working Capital Indicators</u>			
Net Days in Accounts Receivable - 3 month lookback	55.5	46.1	9.4
Working Capital (in thousands)	\$ 53,011	\$ 32,253	\$ 20,758
Current Ratio	1.2	1.1	0.1
Inventory Turnover	1.6	1.5	0.1
<u>Operating Cash</u>			
Operating Liquid Cash (in thousands)	\$ 87,611	\$ 74,032	\$ 13,579
Total Cash (in thousands)	\$ 225,841	\$ 223,828	\$ 2,013
Operating Liquid Cash and Mkt Securities as % of Debt	146.7%	131.0%	15.6%
Debt To Capitalization	51.2%	51.3%	0.1%
Average Age of Plant (in years)	14.1	18.5	(4.4)
<u>Bond Covenant Requirements</u>			
Days Cash on Hand	168.5	Requirement 55.0	(7.4)



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