

Financial Performance

July 2020

ANTELOPE VALLEY
HOSPITAL

A facility of Antelope Valley Healthcare District



Comparison Soft Close to Pre-Audit Close - June 2020

(In Thousands)	Soft Close Year Ended June 2020	Hard Close Year Ended June 2020
Net Patient Service Revenue	\$ 383,198	\$ 383,198
Supplemental Funds/Settlements	35,411	32,620
Trauma Funds	6,224	6,224
Federal Cares Act Funds	8,421	8,421
Other/Grants/Contributions	15,177	17,363
Total Operating Revenues	448,431	447,826
Operating Expenses		
Salaries and Wages	206,077	206,077
Benefits	64,128	64,294
Supplies	54,870	54,079
Drugs	13,002	12,779
Professional Fees	35,988	36,104
Purchased Services	30,775	30,775
Other Expenses	20,940	17,798
Total Operating Expenses	425,780	421,906
OPERATING EBIDA	22,651	25,920
Capital Expenses		
Depreciation	19,254	19,254
Interest Expense	6,198	6,198
	25,452	25,452
Income (Loss) From Operations	(2,801)	468
Investment Income	7,524	8,179
Capital and Foundation Contributions	1,523	1,523
NET INCOME (LOSS)	\$ 6,246	\$ 10,170
<i>Income from Operations Margin %</i>	-0.6%	0.1%
<i>Operating EBIDA %</i>	5.1%	5.8%
<i>Excess Margin %</i>	1.4%	2.3%
<i>Debt Service Coverage</i>	2.21	2.44
<i>Days of Cash</i>	206.8	207.2



Statement of Income – July (in thousands)

July 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 34,867	\$ 34,846	\$ 32,686	\$ 21	\$ 2,181
Supplemental Funds/Settlements	2,023	2,720	2,069	(696)	(46)
Other Operating Revenue	891	1,279	1,083	(388)	(192)
Total Operating Revenues	\$ 37,781	\$ 38,845	\$ 35,838	\$ (1,064)	\$ 1,943
Expenses					
Productive Salaries	\$ 14,618	\$ 14,345	\$ 13,422	\$ 273	\$ 1,196
Non-Productive Salaries	2,512	2,125	2,369	387	143
Registry/Contract Labor	1,050	830	1,086	220	(36)
Benefits	5,685	5,665	4,801	20	884
Total Supplies	6,360	6,090	5,494	270	866
Purchased Svcs	2,614	2,545	2,494	69	120
Other	4,644	4,878	4,737	(234)	(93)
Total Operating Expenses	\$ 37,483	\$ 36,478	\$ 34,404	\$ 1,005	\$ 3,080
EBIDA	\$ 298	\$ 2,367	\$ 1,434	\$ (2,069)	\$ (1,136)
<i>EBIDA Margin</i>	<i>0.8%</i>	<i>6.1%</i>	<i>4.0%</i>		
Depreciation and Amortization	1,607	1,541	1,642	66	(35)
Interest Expense	543	531	533	12	10
Operating Income (loss)	\$ (1,852)	\$ 294	\$ (740)	\$ (2,146)	\$ (1,111)
Investment Income (loss)	461	679	58	(218)	402
Capital Contribution	-	112	-	(112)	-
NET INCOME (LOSS)	\$ (1,391)	\$ 1,086	\$ (682)	\$ (2,477)	\$ (709)
<i>Net Profit (loss)Margin</i>	<i>-3.7%</i>	<i>2.8%</i>	<i>-1.9%</i>		
EBIDA w/o Supplemental and IGT	\$ (1,504)	\$ (97)	\$ (300)	\$ (1,407)	\$ (1,205)



Volumes – July

July 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	1,505	1,735	1,601	(230)	(96)
Adjusted Discharges	2,304	2,730	2,549	(426)	(245)
Acute Patient Days	7,053	7,153	6,398	(100)	655
Adjusted Patient Days	10,795	11,241	10,186	(446)	609
Observations (as Patient Days)	324	369	347	(45)	(23)
Average Daily Census	228	231	206	(3)	22
Adjusted Occupied Bed	348	363	329	(14)	20
General Acute LOS	4.69	4.12	4.00	0.56	0.69
General Acute CMI	1.45	1.37	1.31	0.08	0.14
Medicare Acute LOS	5.34	5.09	5.05	0.25	0.29
AVH GM LOS	3.40	3.73	3.62	(0.33)	(0.22)
CMS GM LOS	4.05	4.00	3.84	0.05	0.21
Medicare CMI	1.97	1.94	1.79	0.03	0.18



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Volumes – July (continued)

July 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	332	373	380	(41)	(48)
I/P Surgeries-WIP	115	133	122	(18)	(7)
Trauma Cases	131	118	99	13	32
E/R Visits	9,522	11,112	10,422	(1,590)	(900)
E/R Admits	1,092	1,175	1,055	(83)	37
E/R Conversion to I/P %	11.5%	10.6%	10.1%	0.9%	1.3%
E/R Admits to Total Admits %	72.6%	67.7%	65.9%	4.8%	6.7%
I/P Surgeries	296	322	311	(26)	(15)
O/P Surgeries	316	359	370	(43)	(54)
Total Surgeries	612	681	681	(69)	(69)

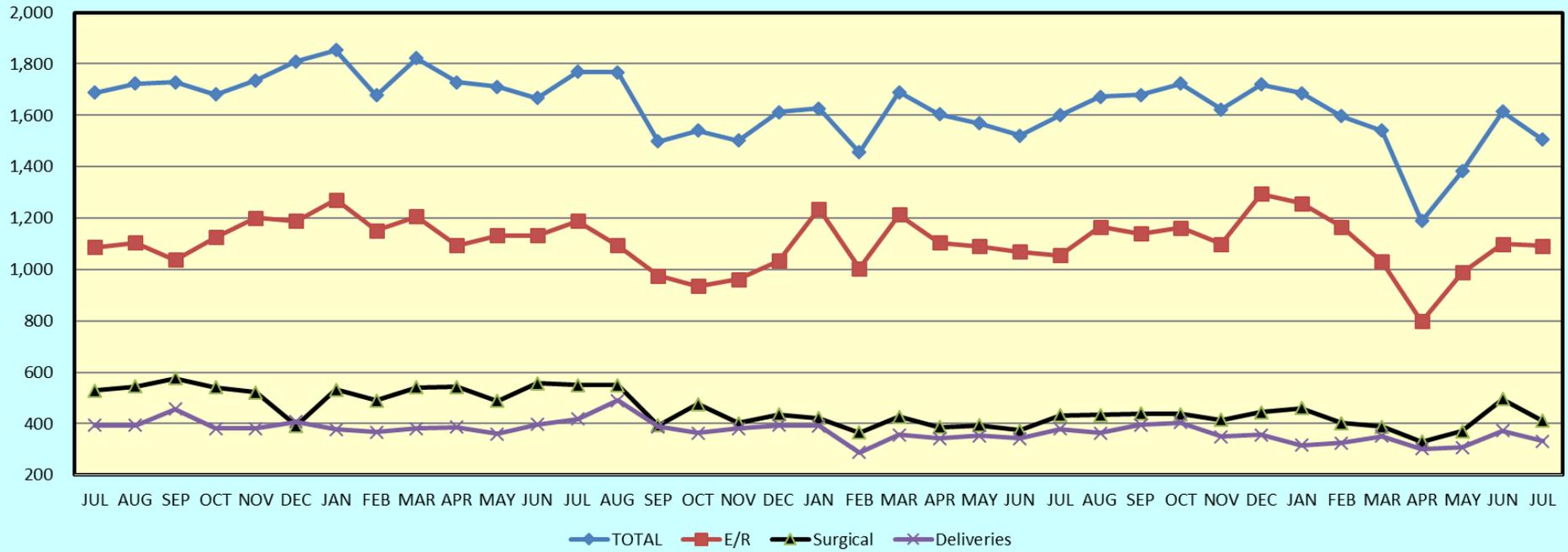


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Admissions Trends July 2017 – July 2020

Admissions Trends July 2017 - July 2020



Gross Charges by Payor Mix

July 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Payor Mix (Gross Charges)</u>					
Medicare	16.5%	18.9%	19.1%	-2.4%	-2.6%
Medicare Mgd Care	17.5%	17.4%	16.4%	0.1%	1.1%
MediCal	11.1%	11.2%	10.1%	-0.1%	1.0%
MediCal Mgd Care	28.5%	29.0%	29.2%	-0.5%	-0.7%
Commercial - Mgd Care	23.4%	20.7%	21.8%	2.7%	1.5%
Other	1.9%	1.8%	1.8%	0.1%	0.1%
Self Pay	1.2%	1.1%	1.6%	0.1%	-0.4%



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Key Financial Ratios

July 2020

Key Financial Ratios

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Net Income (Loss) Margin %	-3.7%	2.8%	-1.9%	-6.5%	-1.8%
Operating Income (Loss) Margin %	-4.9%	0.8%	-2.1%	-5.7%	-2.8%
EBIDA (Loss) Margin %	0.8%	6.1%	4.0%	-5.3%	-3.2%
Outpatient Revenue %	34.7%	35.3%	37.2%	-0.7%	-2.5%
Realization Rate on Gross Charges	21.9%	21.0%	21.4%	0.8%	0.5%

Working Capital Indicators

Cash Collections (in thousands)	\$	33,118	\$	27,662	\$	32,368	\$	5,456	\$	750
Cash Collections/Net Patient Revenue		95.0%		79.4%		99.0%		15.6%		-4.0%



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Ratios and Debt Covenant Requirements

**July 2020
YTD**

	Actual	Last Year	Last Year Variance
<u>Working Capital Indicators</u>			
Net Days in Accounts Receivable - 3 month lookback	52.6	57.3	(4.7)
Working Capital (in thousands)	\$ 35,914	\$ 59,032	\$ (23,118)
Current Ratio	1.1	1.3	(0.1)
Inventory Turnover	0.8	0.8	0.0
<u>Operating Cash</u>			
Operating Liquid Cash (in thousands)	\$ 100,832	\$ 95,937	\$ 4,895
Total Cash (in thousands)	\$ 264,816	\$ 231,969	\$ 32,847
Operating Liquid Cash and Mkt Securities as % of Debt	179.9%	152.6%	27.3%
Debt To Capitalization	46.5%	46.3%	-0.1%
Average Age of Plant (in years)	15.2	14.8	0.4
<u>Bond Covenant Requirements</u>			
Days Cash on Hand	200.2	Requirement 55.0	173.6
			26.6



Metrics - Monthly

July 2020

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 14,771	\$ 14,741	\$ 15,019	\$ 30	\$ (248)
Net Patient Revenue Adj Patient Day	\$ 3,230	\$ 3,100	\$ 3,209	\$ 130	\$ 21
Contractuals as a % of Gross Revenue	77.3%	77.6%	76.6%	-0.3%	0.7%
Charity / Bad Debt as a % of Gross Revenue	0.8%	1.4%	2.0%	-0.6%	-1.2%

Labor Metrics

FTEs: Productive (Excluding Registry)	1,969	1,930	1,852	39	117
FTEs: Non-Productive	325	277	332	48	(7)
FTEs: Contract Labor/Registry	64	56	63	8	1
FTEs: Total	2,358	2,264	2,247	94	111
Productive FTEs / AOB	5.84	5.48	5.83	0.36	0.01
Paid FTEs / AOB	6.77	6.24	6.84	0.53	(0.07)
FTEs Contract Labor as % of FTEs Total Labor	2.7%	2.5%	2.8%	0.2%	-0.1%
Labor Cost as % of Total Operating Revenue	63.2%	59.1%	60.5%	4.0%	2.7%
Benefits as % of Labor (Excluding Registry)	33.2%	34.4%	30.4%	-1.2%	2.8%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 16,269	\$ 13,362	\$ 13,497	\$ 2,907	\$ 2,772
Total Operating Expenses / Adj Patient Day	\$ 3,472	\$ 3,245	\$ 3,378	\$ 227	\$ 95
Total Supplies / Adj Discharge	\$ 2,760	\$ 2,231	\$ 2,155	\$ 530	\$ 605
Total Supplies / Adj Patient Day	\$ 589	\$ 542	\$ 539	\$ 47	\$ 50
Total Supplies as % of Total Operating Revenue	16.8%	15.7%	15.3%	1.2%	1.5%



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