

Financial Performance

June 2020

ANTELOPE VALLEY
HOSPITAL

A facility of Antelope Valley Healthcare District



Statement of Income – June (in thousands)

June 2020	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Revenues					
Net Patient Revenue	\$ 32,011	\$ 33,697	\$ 29,975	\$ (1,686)	\$ 2,036
Supplemental Funds/Settlements	7,980	3,233	17,204	4,747	(9,224)
Other Operating Revenue	1,507	1,282	2,787	225	(1,280)
Total Operating Revenues	\$ 41,498	\$ 38,211	\$ 49,966	\$ 3,287	\$ (8,468)
Expenses					
Productive Salaries	\$ 14,145	\$ 13,692	\$ 12,638	\$ 453	\$ 1,507
Non-Productive Salaries	2,112	2,470	2,341	(359)	(229)
Registry/Contract Labor	1,047	1,063	1,044	(16)	3
Benefits	5,933	5,816	806	118	5,127
Total Supplies	6,585	5,707	5,132	878	1,453
Purchased Svcs	2,765	2,384	637	381	2,128
Other	3,834	4,778	6,418	(944)	(2,584)
Total Operating Expenses	\$ 36,421	\$ 35,910	\$ 29,016	\$ 511	\$ 7,404
EBIDA	\$ 5,077	\$ 2,302	\$ 20,949	\$ 2,776	\$ (15,872)
<i>EBIDA Margin</i>	12.2%	6.0%	41.9%		
Depreciation and Amortization	1,617	1,587	2,817	30	(1,200)
Interest Expense	506	504	452	2	53
Operating Income (loss)	\$ 2,955	\$ 211	\$ 17,680	\$ 2,744	\$ (14,725)
Investment Income (loss)	628	509	2,053	119	(1,425)
Capital Contribution	234	-	55	234	179
NET INCOME (LOSS)	\$ 3,817	\$ 720	\$ 19,788	\$ 3,097	\$ (15,971)
<i>Net Profit (loss)Margin</i>	9.2%	1.9%	39.6%		
EBIDA w/o Supplemental and IGT	\$ (2,636)	\$ (374)	\$ 3,746	\$ (2,262)	\$ (6,381)



EBIDA w/o Supplemental and IGT

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Statement of Income – Year to Date (in thousands)

June 2020 YTD	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Revenues</u>					
Net Patient Revenue	\$ 383,198	\$ 393,818	\$ 369,456	\$ (10,619)	\$ 13,742
Supplemental Funds/Settlements	50,056	37,956	51,611	12,101	(1,555)
Other Operating Revenue	15,177	15,638	17,990	(461)	(2,813)
Total Operating Revenues	\$ 448,431	\$ 447,411	\$ 439,057	\$ 1,020	\$ 9,374
<u>Expenses</u>					
Productive Salaries	\$ 166,441	\$ 161,438	\$ 150,731	\$ 5,003	\$ 15,710
Non-Productive Salaries	27,885	29,069	28,132	(1,184)	(247)
Registry/Contract Labor	11,751	12,758	13,413	(1,007)	(1,661)
Benefits	64,128	68,690	62,447	(4,561)	1,681
Total Supplies	67,872	61,933	59,227	5,939	8,645
Purchased Svcs	30,775	28,609	27,720	2,166	3,056
Other	56,928	57,332	60,534	(403)	(3,606)
Total Operating Expenses	\$ 425,781	\$ 419,828	\$ 402,203	\$ 5,952	\$ 23,577
<u>EBIDA</u>	\$ 22,651	\$ 27,583	\$ 36,854	\$ (4,932)	\$ (14,203)
<i>EBIDA Margin</i>	5.1%	6.2%	8.4%		
Depreciation and Amortization	19,254	19,042	19,234	212	20
Interest Expense	6,198	6,049	6,383	149	(185)
<u>Operating Income (loss)</u>	\$ (2,801)	\$ 2,492	\$ 11,238	\$ (5,293)	\$ (14,038)
Investment Income (loss)	7,524	6,211	8,443	1,313	(919)
Capital Contribution	1,523	-	166	1,523	1,358
<u>NET INCOME (LOSS)</u>	\$ 6,246	\$ 8,703	\$ 19,846	\$ (2,457)	\$ (13,600)
<i>Net Profit (loss)Margin</i>	1.4%	1.9%	4.5%		
EBIDA w/o Supplemental and IGT	\$ (23,868)	\$ (3,686)	\$ (8,071)	\$ (20,181)	\$ (15,797)



EBIDA w/o Supplemental and IGT

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Statement of Income – By Quarter (in thousands)

	Quarter Ended September 2019	Quarter Ended December 2019	Quarter Ended March 2020	Quarter Ended June 2020	UNAUDITED FY June 2020
(In Thousands)					
Net Patient Service Revenue	\$ 98,530	\$ 98,384	\$ 100,596	\$ 85,688	\$ 383,198
Supplemental Funds/Settlements	4,763	12,588	8,409	9,651	35,411
Trauma Funds	-	-	-	6,224	6,224
Federal Cares Act Funds	-	-	-	8,421	8,421
Other/Grants/Contributions	4,929	3,046	3,362	3,840	15,177
Total Operating Revenues	108,222	114,018	112,367	113,824	448,431
Operating Expenses					
Salaries and Wages	50,851	51,273	51,885	52,068	206,077
Benefits	14,912	16,099	14,736	18,381	64,128
Supplies	13,586	14,324	14,190	12,770	54,870
Drugs	3,008	3,225	3,656	3,113	13,002
Professional Fees	8,312	9,141	9,736	8,799	35,988
Purchased Services	7,279	7,634	7,616	8,246	30,775
Other Expenses	5,836	6,165	6,097	2,842	20,940
Total Operating Expenses	103,784	107,861	107,916	106,219	425,780
OPERATING EBIDA	4,438	6,157	4,451	7,605	22,651
Capital Expenses					
Depreciation	4,960	4,715	4,624	4,955	19,254
Interest Expense	1,589	1,562	1,532	1,515	6,198
	6,549	6,277	6,156	6,470	25,452
Income (Loss) From Operations	(2,111)	(120)	(1,705)	1,135	(2,801)
Investment Income	1,340	982	2,149	3,053	7,524
Capital and Foundation Contributions	1,289	-	-	234	1,523
NET INCOME (LOSS)	\$ 518	\$ 862	\$ 444	\$ 4,422	\$ 6,246
Income from Operations Margin %	-2.0%	-0.1%	-1.5%	1.0%	-0.6%
Operating EBIDA %	4.1%	5.4%	4.0%	6.7%	5.1%



Volumes – June

June 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	1,614	1,754	1,521	(140)	93
Adjusted Discharges	2,323	2,649	2,369	(326)	(46)
Acute Patient Days	7,002	7,038	6,258	(36)	744
Adjusted Patient Days	10,076	10,622	9,749	(546)	327
Observations (as Patient Days)	242	370	321	(128)	(79)
Average Daily Census	233	235	209	(2)	24
Adjusted Occupied Bed	336	354	325	(18)	11
General Acute LOS	4.34	4.01	4.11	0.33	0.22
General Acute CMI	1.44	1.34	1.29	0.10	0.15
Medicare Acute LOS	5.48	5.19	5.43	0.29	0.05
AVH GM LOS	3.87	4.00	3.75	(0.13)	0.12
CMS GM LOS	4.19	4.00	4.11	0.19	0.08
Medicare CMI	2.09	1.85	1.83	0.24	0.26



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Volumes – June (continued)

June 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	373	403	343	(30)	30
I/P Surgeries-WIP	129	142	102	(13)	27
Trauma Cases	142	111	132	31	10
E/R Visits	8,226	11,085	10,350	(2,859)	(2,124)
E/R Admits	1,099	1,223	1,069	(124)	30
E/R Conversion to I/P %	13.4%	11.0%	10.3%	2.3%	3.0%
E/R Admits to Total Admits %	68.1%	69.7%	70.3%	-1.6%	-2.2%
I/P Surgeries	367	408	273	(41)	94
O/P Surgeries	322	265	309	57	13
Total Surgeries	689	673	582	16	107



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Volumes – Year to Date

**June 2020
YTD**

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Acute Discharges	19,030	20,607	19,155	(1,577)	(125)
Adjusted Discharges	29,263	31,404	29,468	(2,141)	(205)
Acute Patient Days	80,256	85,882	79,434	(5,626)	822
Adjusted Patient Days	123,177	130,865	122,148	(7,688)	1,029
Observations (as Patient Days)	4,064	4,069	3,741	(5)	323
Average Daily Census	219	235	218	(16)	1
Adjusted Occupied Bed	337	358	334	(21)	3
General Acute LOS	4.22	4.17	4.15	0.05	0.07
General Acute CMI	1.37	1.34	1.30	0.03	0.07
Medicare Acute LOS	5.21	5.38	5.35	(0.17)	(0.15)
AVH GM LOS	3.73	4.00	3.91	(0.27)	(0.18)
CMS GM LOS	4.19	4.00	4.11	0.19	0.08
Medicare CMI	1.93	1.85	1.79	0.08	0.14



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Volumes – Year to Date (continued)

June 2020
YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Volumes</u>					
Deliveries	4,227	4,669	4,514	(442)	(287)
I/P Surgeries-WIP	1,501	1,568	1,507	(67)	(6)
Trauma Cases	1,371	1,357	1,296	14	75
E/R Visits	121,434	130,496	127,000	(9,062)	(5,566)
E/R Admits	13,256	14,039	12,906	(783)	350
E/R Conversion to I/P %	10.9%	10.8%	10.2%	0.2%	0.8%
E/R Admits to Total Admits %	69.7%	68.1%	67.4%	1.5%	2.3%
I/P Surgeries	3,551	3,978	3,668	(427)	(117)
O/P Surgeries	3,729	3,912	3,805	(183)	(76)
Total Surgeries	7,280	7,890	7,473	(610)	(193)



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Volumes – By Quarter

	Quarter Ended September 2019	Quarter Ended December 2019	Quarter Ended March 2020	Quarter Ended June 2020	UNAUDITED FY June 2020
Discharges	4,954	5,067	4,823	4,186	19,030
Adjusted Discharges	7,889	7,933	7,435	6,006	29,263
Patient Days	19,396	20,692	21,657	18,511	80,256
Adjusted Patient Days	30,887	32,388	33,374	26,528	123,177
Observation Patient Days	1,025	1,086	1,253	700	4,064
Average Daily Census	210.8	224.9	235.4	201.2	219.3
Adjusted Occupied Bed	335.7	352.0	366.7	288.3	336.5
General Length of Stay	3.92	4.08	4.49	4.42	4.22
All Payor CMI	1.31	1.31	1.42	1.44	1.37
Medicare Length of Stay	5.01	4.89	5.45	5.50	5.21
Medicare CMI	1.87	1.78	2.02	2.06	1.93
AVH GM Medicare Length of Stay	3.54	3.60	3.90	3.87	3.73
CMS GM Projected Length of Stay	3.76	3.79	4.78	4.41	4.19
Deliveries	1,139	1,110	994	984	4,227
Trauma Cases	356	335	332	348	1,371
Emergency Visits	32,225	33,356	34,327	21,526	121,434
Admissions from Emergency	3,359	3,555	3,455	2,887	13,256
<i>Conversion Rate to Admission</i>	10.4%	10.7%	10.1%	13.4%	10.9%
<i>Percentage of Total Admissions</i>	67.8%	70.2%	71.6%	69.0%	69.7%
Inpatient Surgeries	1,306	1,298	1,213	1,235	5,052
Outpatient Surgeries	1,087	1,088	929	625	3,729
Total Surgeries	2,393	2,386	2,142	1,860	8,781

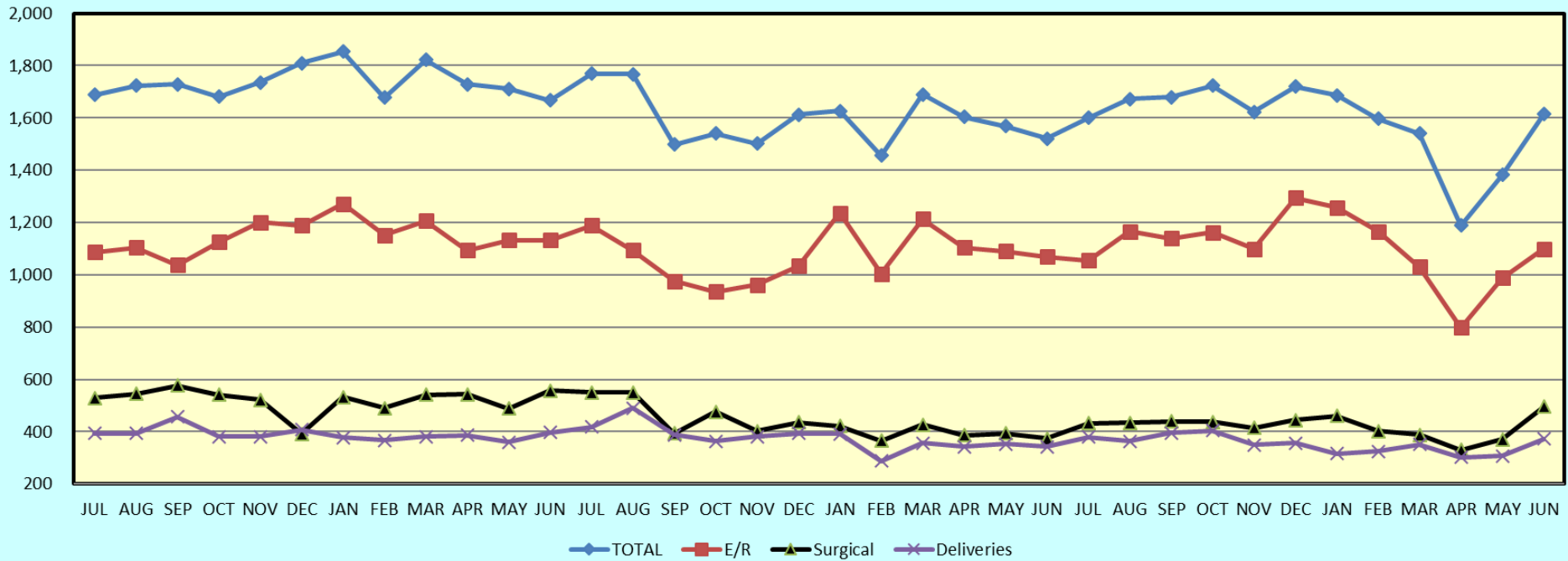


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Admissions Trends July 2017 – June 2020

Admissions Trends July 2017 - June 2020



**ANTELOPE VALLEY
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Key Financial Ratios

June 2020

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	9.2%	1.9%	39.6%	7.3%	-30.4%
Operating Income (Loss) Margin %	7.1%	0.6%	35.4%	6.6%	-28.3%
EBIDA (Loss) Margin %	12.2%	6.0%	41.9%	6.2%	-29.7%
Outpatient Revenue %	30.5%	33.9%	35.8%	-3.4%	-5.3%
Realization Rate on Gross Charges	20.5%	20.5%	20.6%	0.0%	-0.1%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 30,706	\$ 28,540	\$ 32,268	\$ 2,165	\$ (1,562)
Cash Collections/Net Patient Revenue	95.9%	84.7%	107.7%	11.2%	-11.7%

June 2020

YTD

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
<u>Key Financial Ratios</u>					
Net Income (Loss) Margin %	1.4%	1.9%	4.5%	-0.6%	-3.1%
Operating Income (Loss) Margin %	-0.6%	0.6%	2.6%	-1.2%	-3.2%
EBIDA (Loss) Margin %	5.1%	6.2%	8.4%	-1.1%	-3.3%
Outpatient Revenue %	34.9%	34.4%	35.0%	0.4%	-0.1%
Realization Rate on Gross Charges	20.7%	20.7%	20.3%	0.0%	0.5%
<u>Working Capital Indicators</u>					
Cash Collections (in thousands)	\$ 391,778	\$ 395,905	\$ 365,740	\$ (4,127)	\$ 26,038
Cash Collections/Net Patient Revenue	102.2%	100.5%	99.0%	1.7%	3.2%



Ratios and Debt Covenant Requirements

**June 2020
YTD**

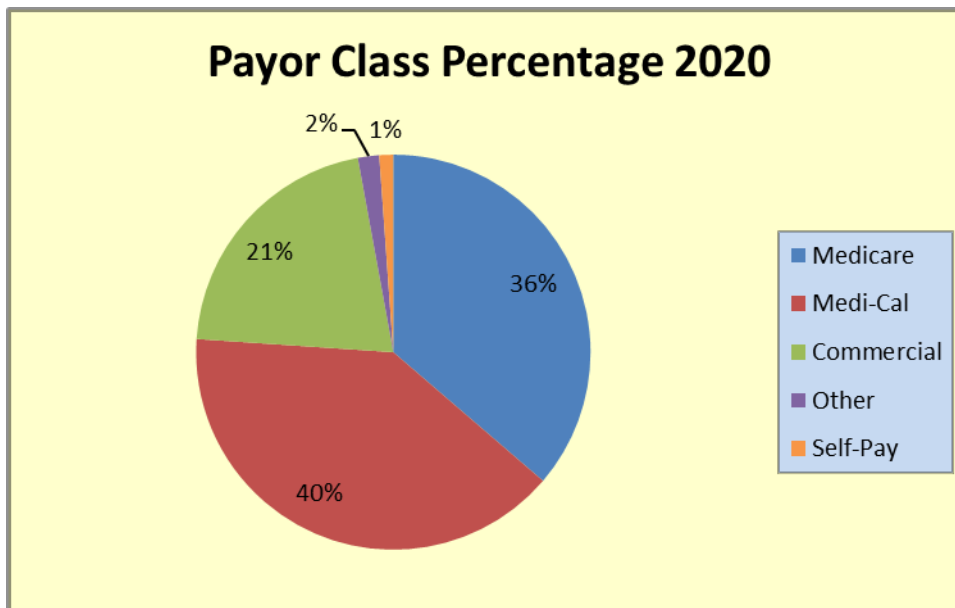
	Actual	Last Year	Last Year Variance
<u>Working Capital Indicators</u>			
Net Days in Accounts Receivable - 3 month lookback	52.9	54.7	(1.7)
Working Capital (in thousands)	\$ 34,569	\$ 58,335	\$ (23,766)
Current Ratio	1.1	1.3	(0.1)
Inventory Turnover	10.0	8.7	1.3
<u>Operating Cash</u>			
Operating Liquid Cash (in thousands)	\$ 101,709	\$ 96,935	\$ 4,774
Total Cash (in thousands)	\$ 262,619	\$ 232,879	\$ 29,740
Operating Liquid Cash and Mkt Securities as % of Debt	177.7%	152.9%	24.9%
Debt To Capitalization	47.0%	49.1%	2.2%
Average Age of Plant (in years)	15.1	14.3	0.9
<u>Bond Covenant Requirements</u>			
Days Cash on Hand	197.6	Requirement 55.0	22.5



Payor Mix Graph

Payor Mix (Gross Charges)

Medicare	36.3%
Medi-Cal	39.8%
Commercial	21.0%
Other	1.7%
Self-Pay	1.1%



Metrics – Year to Date

June 2020

YTD

Revenue Metrics

	Actual	Budget	Last Year	Budget Variance	Last Year Variance
Gross Revenue per Adj Patient Day	\$ 15,002	\$ 14,525	\$ 14,925	\$ 477	\$ 77
Net Patient Revenue Adj Patient Day	\$ 3,111	\$ 3,009	\$ 3,025	\$ 102	\$ 86
Contractuals as a % of Gross Revenue	78.0%	76.9%	77.1%	1.0%	0.9%
Charity / Bad Debt as a % of Gross Revenue	1.3%	2.3%	2.6%	-1.1%	-1.4%

Labor Metrics

FTEs: Productive (Excluding Registry)	1,945	1,877	1,813	68	132
FTEs: Non-Productive	290	322	303	(32)	(13)
FTEs: Contract Labor/Registry	59	67	71	(8)	(12)
FTEs: Total	2,294	2,266	2,186	28	108

Productive FTEs / AOB	5.95	5.44	5.64	0.52	0.31
Paid FTEs / AOB	6.82	6.34	6.55	0.48	0.27

FTEs Contract Labor as % of FTEs Total Labor	2.6%	3.0%	3.2%	-0.4%	-0.7%
Labor Cost as % of Total Operating Revenue	60.3%	60.8%	58.0%	-0.5%	2.2%
Benefits as % of Labor (Excluding Registry)	33.0%	36.1%	34.9%	-3.1%	-1.9%

Operating Expense Metrics

Total Operating Expenses / Adj Discharge	\$ 14,550	\$ 13,369	\$ 13,649	\$ 1,182	\$ 901
Total Operating Expenses / Adj Patient Day	\$ 3,457	\$ 3,208	\$ 3,293	\$ 249	\$ 164
Total Supplies / Adj Discharge	\$ 2,319	\$ 1,972	\$ 2,010	\$ 347	\$ 310
Total Supplies / Adj Patient Day	\$ 551	\$ 473	\$ 485	\$ 78	\$ 66
Total Supplies as % of Total Operating Revenue	15.1%	13.8%	13.5%	1.3%	1.6%



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