



Finance Committee January 2019



- October Highlights
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- Inpatient activity continues to be strong.
- Acute days 3.1% > budget in October, 6.1% > budget YTD;
- ALOS > budget 4.7% YTD.
- Post Acute days > budget 0.3% in October, 0.6% > budget YTD.
- Clinic Visits 2.5% > budget in October, 1.8% < budget YTD.
- ER visits 7.6% < budget in October, 864 visits < prior year.
- Physician wRVU's 12.2% > budget in October, 7.1% > budget YTD, 19.4% > prior year.

	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Acute discharges	1,461	1,469	(8)	(0.5)%	5,986	5,906	80	1.4%	6,077	(1.5)%
Acute patient days	8,454	8,203	251	3.1%	34,396	32,426	1,970	6.1%	32,848	4.7%
Acute average length of stay	5.8	5.6	0.2	3.8%	5.8	5.5	0.3	4.7%	5.4	6.3%
Acute average daily census	273	265	8	3.0%	280	264	16	6.1%	267	4.9%
Adjusted patient days (APD)	31,303	30,508	795	2.6%	123,849	120,899	2,950	2.4%	119,082	4.0%
Post acute discharges	87	66	21	31.8%	303	293	10	3.4%	241	25.7%
Post acute patient days	9,264	9,233	31	0.3%	36,915	36,712	203	0.6%	36,161	2.1%
Post acute average daily census	299	298	1	0.3%	300	298	2	0.7%	294	2.0%
Clinic Visits	31,703	30,939	764	2.5%	116,691	118,875	(2,184)	(1.8)%	115,257	1.2%
Visits per Clinic Day	1,441	1,406	35	2.5%	1,373	1,399	(26)	(1.8)%	1,356	1.2%
Physician wRVUs	88,998	79,341	9,657	12.2%	340,028	317,364	22,664	7.1%	284,780	19.4%

- NPSR under budget by \$1.0 million, YTD still looking at \$27-29 million annual shortfall.
- Supplemental Revenue slightly under budget.
- Expenses under budget by \$1.6 million more than offset revenue shortfall this month.
- Operating Income \$0.4 million over budget in October. YTD \$0.5 mill under w/o capital cost reimbursement.
- EBIDA over budget by 0.4% in October, 0.3% under budget YTD
- Net Income \$3.6 million over budget YTD due to long term portion of Pension Expense.

	October 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Change
Net patient service revenue	\$ 54,270	\$ 55,263	\$ (993)	(1.8)%	\$ 211,523	\$ 219,455	\$ (7,932)	(3.6)%	\$ 202,390	4.5%
Supplemental revenue	32,827	33,002	(176)	(0.5)%	136,323	132,010	4,314	3.3%	125,428	8.7%
Net operating revenue	87,097	88,265	(1,168)	(1.3)%	347,846	351,465	(3,618)	(1.0)%	327,818	6.1%
Operating expense	82,298	83,906	(1,607)	(1.9)%	334,169	341,684	(7,514)	(2.2)%	324,140	3.1%
Operating Income	4,799	4,359	439	10.1%	13,677	9,781	3,896	39.8%	3,678	271.9%
Other non-operating activity	(3,143)	(4,154)	1,011	(211.6)%	(16,961)	(16,614)	(347)	(191.7)%	(16,081)	(356.1)%
Net Income	\$ 1,655	\$ 205	\$ 1,450	706.9%	\$ (3,284)	\$ (6,833)	\$ 3,550	51.9%	\$ (12,403)	73.5%
Operating Margin	5.5%	4.9%	0.6%		3.9%	2.8%	1.1%		1.1%	
EBIDA Margin	7.0%	6.6%	0.4%		4.1%	4.4%	(0.3)%		2.8%	
Net Operating Revenue per APD	2,782	2,893	(111)	(3.8)%	2,809	2,907	(98)	(3.4)%	2,753	2.0%
Expense per APD	2,629	2,750	(121)	(4.4)%	2,698	2,826	(128)	(4.5)%	2,722	(0.9)%
Operating Income per APD	153	143	10	7.3%	110	81	30	36.5%	31	257.5%

- Inpatient activity continues to be strong.
- Acute days 1.6% > budget in November, 5.4% > budget YTD; 4.7% > prior yr.
- ALOS > budget 5.3% YTD.
- Post Acute days > budget 2.1% in November, 2.1% > budget YTD; 3.6% > prior yr.
- Clinic Visits 7.1% < budget in November, 2.8% < budget YTD; 0.2% > prior yr.
- ER visits 7.8% < budget in November, 966 visits (1.9%) < prior yr.
- Physician wRVU's 7.0% > budget in November, 7.1% > budget YTD, 21.6% > prior yr.

	November 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Acute discharges	1,415	1,491	(76)	(5.1)%	7,402	7,397	5	0.1%	7,642	(3.1)%
Acute patient days	8,373	8,245	128	1.6%	42,884	40,671	2,213	5.4%	40,963	4.7%
Acute average length of stay	5.9	5.5	0.4	7.1%	5.8	5.5	0.3	5.3%	5.4	8.0%
Acute average daily census	279	275	4	1.5%	280	266	14	5.3%	268	4.5%
Adjusted patient days (APD)	30,153	29,330	823	2.8%	155,163	150,221	4,942	3.3%	148,023	4.8%
Post acute discharges	81	63	18	28.6%	383	356	27	7.6%	289	32.5%
Post acute patient days	9,246	9,060	186	2.1%	46,716	45,772	944	2.1%	45,078	3.6%
Post acute average daily census	308	302	6	2.0%	305	299	6	2.0%	295	3.4%
Clinic Visits	26,060	28,054	(1,994)	(7.1)%	142,802	146,929	(4,127)	(2.8)%	142,546	0.2%
Visits per Clinic Day	1,448	1,559	(111)	(7.1)%	1,386	1,426	(40)	(2.8)%	1,384	0.2%
Physician wRVUs	84,932	79,341	5,591	7.0%	424,960	396,705	28,255	7.1%	349,445	21.6%

- NPSR under budget by \$3.2 million, YTD still looking at \$27-29 million annual shortfall.
- Supplemental Revenue slightly under budget.
- Expenses under budget by \$3.8 million more than offset revenue shortfall this month.
- Operating Income \$0.3 million over budget in November.
- EBIDA over budget by 0.2% in November, 0.2% under budget YTD.
- Net Income \$4.9 million over budget YTD due to long term portion of Pension Expense.

	November 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	YTD	% Change
Net patient service revenue	\$ 50,787	\$ 54,025	\$ (3,238)	(6.0)%	\$ 262,310	\$ 273,480	\$ (11,170)	(4.1)%	\$ 250,099	4.9%
Supplemental revenue	32,669	33,002	(334)	(1.0)%	168,992	165,012	3,980	2.4%	161,968	4.3%
Net operating revenue	83,456	87,028	(3,572)	(4.1)%	431,302	438,492	(7,190)	(1.6)%	412,067	4.7%
Operating expense	83,316	87,142	(3,826)	(4.4)%	417,485	428,826	(11,341)	(2.6)%	408,218	2.3%
Operating Income	140	(115)	254	221.9%	13,817	9,666	4,150	42.9%	3,848	259.0%
Other non-operating activity	(3,052)	(4,154)	1,102	69.5%	(20,013)	(20,768)	755	(142.0)%	(20,534)	2.5%
Net Income	\$ (2,913)	\$ (4,269)	\$ 1,356	31.8%	\$ (6,197)	\$ (11,102)	\$ 4,905	44.2%	\$ (16,685)	62.9%
Operating Margin	0.2%	(0.1)%	0.3%		3.2%	2.2%	1.0%		0.9%	
EBIDA Margin	1.7%	1.5%	0.2%		3.7%	3.9%	(0.2)%		2.6%	
Net Operating Revenue per APD	2,768	2,967	(199)	(6.7)%	2,780	2,919	(139)	(4.8)%	2,784	(0.1)%
Expense per APD	2,763	2,971	(208)	(7.0)%	2,691	2,855	(164)	(5.7)%	2,758	(2.4)%
Operating Income per APD	5	(4)	9	(218.7)%	89	64	25	38.4%	26	242.5%

- Gross Patient Service Revenue was consistent with activity for the month.
- YTD Gross Revenue 2.7% above budget and 7.0% above prior year.
- NPSR 4.9% above prior year.
- Supplemental revenue over budget due to \$4.4 million from County Capital Cost Reimb FY16.
- NPSR Collection % is 2% less than prior yr – mainly due to charge increase of 2.4%

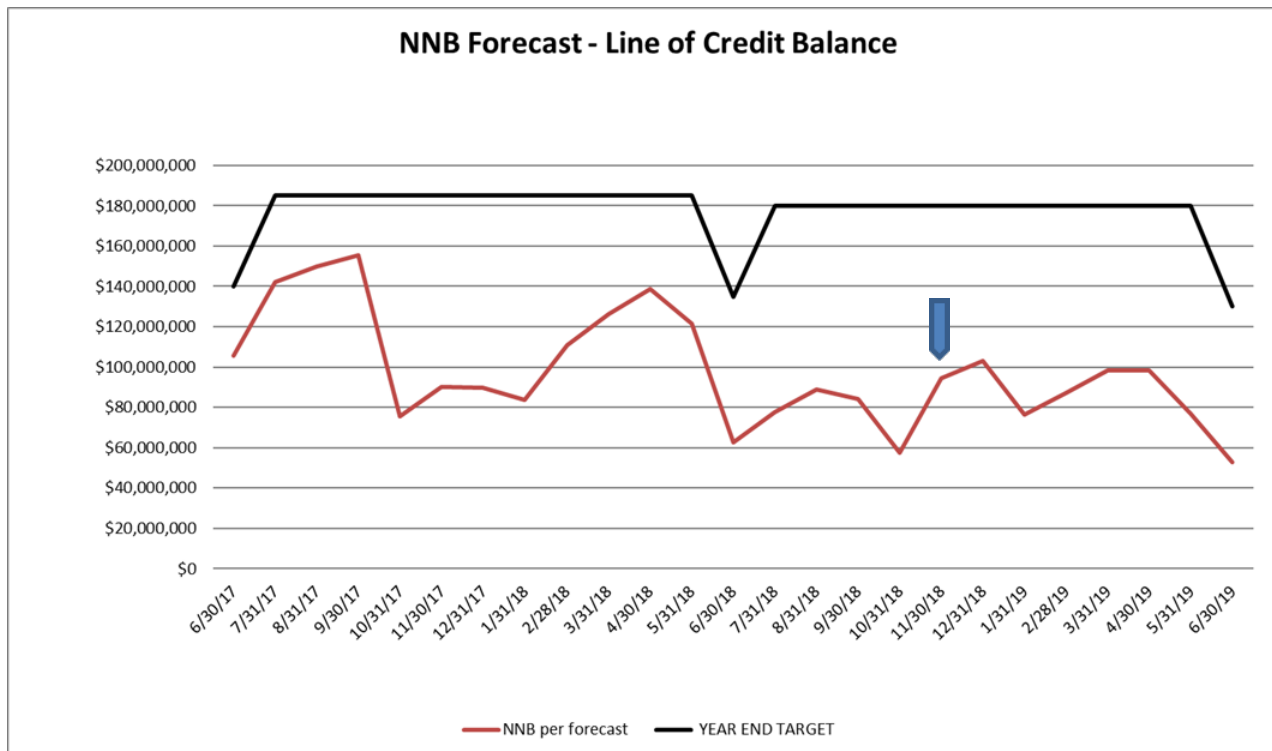
	November 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Inpatient service revenue	\$ 163,459	\$ 161,979	\$ 1,480	0.9%	\$ 827,511	\$ 802,736	\$ 24,775	3.1%	\$ 778,188	6.3%
Outpatient service revenue	87,502	87,487	15	0.0%	462,990	459,960	3,029	0.7%	454,059	2.0%
Professional service revenue	28,776	25,072	3,705	14.8%	142,523	132,305	10,218	7.7%	106,526	33.8%
Gross patient service revenue	279,737	274,537	5,200	1.9%	1,433,024	1,395,001	38,023	2.7%	1,338,773	7.0%
Deductions from revenues	(232,046)	(223,315)	(8,732)	(3.9)%	(1,186,023)	(1,135,535)	(50,488)	(4.4)%	(1,102,506)	7.6%
Capitation - HPAC	3,096	2,803	294	10.5%	15,309	14,014	1,295	9.2%	13,832	10.7%
Net patient service revenue	50,787	54,025	(3,238)	(6.0)%	262,310	273,480	(11,170)	(4.1)%	250,099	4.9%
Medi-Cal Waiver	9,541	9,546	(5)	(0.1)%	47,705	47,730	(25)	(0.1)%	51,375	(7.1)%
Measure A, Parcel Tax, Other Support	9,942	10,025	(83)	(0.8)%	49,708	50,125	(417)	(0.8)%	49,120	1.2%
Supplemental Programs	11,165	11,187	(22)	(0.2)%	60,243	55,936	4,308	7.7%	49,751	21.1%
Grants & Research Protocol	527	652	(125)	(19.1)%	2,621	3,259	(638)	(19.6)%	2,599	0.9%
Other Operating Revenue	1,494	1,592	(99)	(6.2)%	8,559	7,962	597	7.5%	9,123	(6.2)%
Incentives	-	-	-	0.0%	155	-	155	100.0%	-	0.0%
Supplemental revenue	32,669	33,002	(334)	(1.0)%	168,992	165,012	3,980	2.4%	161,968	4.3%
Net operating revenue	\$ 83,456	\$ 87,028	\$ (3,572)	(4.1)%	\$ 431,302	\$ 438,492	\$ (7,190)	(1.6)%	\$ 412,067	4.7%
Collection % - NPSR	18.2%	19.7%	(1.5)%		18.3%	19.6%	(1.3)%		18.7%	
Collection % - Total	29.8%	31.7%	(1.9)%		30.1%	31.4%	(1.3)%		30.8%	

- FTEs under budget by 385 FTEs or 8.3% in November, 176 FTEs or 3.9% YTD
- Labor Expense under budget \$4.2 million or 6.9% in November, \$8.0 Million or 2.7% YTD
- Worked Hours per APD below budget; Comp.Ratio 2.1% under budget in November.
- YTD FTE per Adj Occ Bed under budget and prior year.
- YTD Operating Expense 2.6% below budget; 2.3% above prior year.

	November 2018				Year-To-Date				FY 2018	
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD	% Change
Salaries and wages	\$ 40,797	\$ 43,318	\$ (2,521)	(5.8)%	\$ 205,866	\$ 208,026	\$ (2,160)	(1.0)%	\$ 197,849	4.1%
Registry	2,074	2,448	(374)	(15.3)%	9,934	13,934	(4,000)	(28.7)%	14,561	(31.8)%
Employee benefits	14,032	15,365	(1,333)	(8.7)%	72,594	74,441	(1,847)	(2.5)%	65,669	10.5%
Contracted physician services	7,674	7,293	381	5.2%	38,906	38,224	682	1.8%	36,216	7.4%
Purchased services	5,075	5,956	(880)	(14.8)%	27,839	30,106	(2,267)	(7.5)%	30,038	(7.3)%
Pharmaceuticals	2,783	2,416	367	15.2%	11,705	11,781	(76)	(0.6)%	12,218	(4.2)%
Medical Supplies	3,232	2,896	336	11.6%	14,870	14,662	208	1.4%	14,835	0.2%
Materials and supplies	1,574	1,539	35	2.2%	7,948	7,942	6	0.1%	8,379	(5.1)%
Outside medical services	383	374	10	2.6%	1,881	1,907	(26)	(1.4)%	1,944	(3.2)%
General & administrative expenses	1,402	1,739	(337)	(19.4)%	7,384	8,698	(1,314)	(15.1)%	7,525	(1.9)%
Repairs/maintenance/utilities	2,484	1,670	814	48.8%	8,939	8,348	591	7.1%	8,989	(0.5)%
Building/equipment leases & rentals	581	724	(142)	(19.7)%	3,345	3,619	(274)	(7.6)%	3,355	(0.3)%
Depreciation	1,226	1,407	(181)	(12.8)%	6,274	7,138	(864)	(12.1)%	6,642	(5.5)%
Total operating expense	\$ 83,316	\$ 87,142	\$ (3,826)	(4.4)%	\$ 417,485	\$ 428,826	\$ (11,341)	(2.6)%	\$ 408,218	2.3%
Paid full time equivalents (FTE)	4,264	4,649	(385)	(8.3)%	4,271	4,446	(176)	(3.9)%	4,383	(2.6)%
Paid FTE's per adjusted occupied bed	4.2	4.8	(0.5)	(10.9)%	4.2	4.5	(0.3)	(7.1)%	4.5	(7.1)%
Worked Hours per APD	20.7	23.2	(2.5)	(10.7)%	21.1	22.4	(1.3)	(6.0)%	22.1	(4.6)%
Compensation ratio	68.2%	70.2%	(2.1)%		66.9%	67.6%	(0.7)%		67.5%	

Below are the key Balance Sheet metrics and the forecast for the Line of Credit.

	Current Month	Prior Month	FY 2018
Days in Cash	9.5	12.6	6.5
Gross Days in AR	71.7	71.0	65.0
Net Days in AR	74.1	75.2	77.3
Days in Accounts Payable	30.2	36.3	42.8
Current Ratio	1.7	1.6	1.5



Cash Collected						
2019	AHP	AHS CORE	Alameda Hospital	San Leandro Hospital	Total Cash Collected	Prior Year Cash Collected
Jul	2,625,309	38,880,913	4,659,084	5,715,983	51,881,289	45,907,874
Aug	2,516,774	44,530,218	6,119,042	4,127,820	57,293,854	47,020,673
Sep	2,516,029	46,008,463	8,703,513	4,442,202	61,670,208	47,316,958
Oct	2,576,687	38,849,329	7,506,106	4,189,535	53,121,657	42,249,665
Nov	2,837,520	35,450,075	7,491,879	4,555,896	50,335,369	48,408,418
	13,072,320	203,718,999	34,479,623	23,031,436	274,302,378	230,903,588
% Cash to NPSR					104.6%	

- Original amounts based on FY19 budget.
- Gross IP revenues increased 2% monthly based on increased days from ED virtual bed implementation.
- NPSR Collection % adjusted for budget shortfall and virtual beds.
- Salary savings applied for normal vacancies, reduced OT, benchmarking and not filling overhead positions.
- Benefits adjusted for salary change and lower Workers' Comp.
- Purchased Services reduced additional \$3.2 million from budget.
- Supplies reduced additional \$3.8 million from budget.
- Other/Admin and General reduced additional \$500K from budget.

November 2018 FY 19 Forecast (in Millions)	ACTUAL YTD NOV 2018	PROJ. DEC 2018	PROJ. JAN 2019	PROJ. FEB 2019	PROJ. MAR 2019	PROJ. APR 2019	PROJ. MAY 2019	PROJ. JUN 2019	PROJ. FY 19	BUDGET FY19	VARIANCE FROM BUDGET
Gross Patient Service Revenue	1,433,024	285,735	301,718	268,098	304,258	289,248	285,378	274,611	3,442,070	3,383,472	58,598
Net Patient Service Revenue	262,310	53,662	56,107	49,897	56,520	53,841	53,108	51,340	636,785	662,336	(25,550)
Total Supplemental Revenue	168,993	32,892	32,892	32,892	32,892	32,892	32,892	32,892	399,235	394,705	4,530
Net Operating Revenue	431,303	86,554	88,998	82,789	89,412	86,733	85,999	84,232	1,036,020	1,057,041	(21,021)
Total Operating Expenses	417,485	87,258	89,722	78,565	83,366	80,629	83,697	81,375	1,002,097	1,026,444	(24,347)
Operating Income	13,818	(704)	(723)	4,224	6,046	6,104	2,302	2,857	33,923	30,596	3,327 *
Non-Operating Income/(Expense)	(20,013)	(3,159)	(3,159)	(3,135)	(3,155)	(3,147)	(3,157)	(3,147)	(42,073)	(49,828)	7,755
Net Income	\$ (6,195)	\$ (3,863)	\$ (3,882)	\$ 1,089	\$ 2,890	\$ 2,956	\$ (855)	\$ (291)	\$ (8,150)	\$ (19,232)	\$ 11,082
Operating Margin	3.2%	(0.8)%	(0.8)%	5.1%	6.8%	7.0%	2.7%	3.4%	3.3%	2.9%	0.4%
EBIDA Margin	3.7%	0.9%	0.7%	6.6%	8.3%	8.6%	4.3%	5.1%	4.4%	4.5%	(0.1)%
Collection % - NPSR	18.3%	18.8%	18.6%	18.6%	18.6%	18.6%	18.6%	18.7%	18.5%	19.6%	(1.1)%
Collection % - Total	30.1%	30.3%	29.5%	30.9%	29.4%	30.0%	30.1%	30.7%	30.1%	31.2%	(1.1)%
* Net variance to budget without Capital Cost transfer would be (1,092)											

- November 18 Actuals plus FY 19 projections.
- Jul – Oct 18 actuals = start point for Jul – Oct 19
- FY 20 Gross Patient Service Revenue and Contractuals increased 2%
- Supplemental Waiver Revenues decreased to 90% of amounts per Waiver, lower amounts for both GPP and Prime.
- Capitation HPAC increased 1%.
- Salaries, Registry, Benefits, Contract Physicians, Pharmaceuticals increased 3%.
- Supplies increased 1%.
- Outside Medical Services, Depreciation at budget amounts.
- Does not assume any budgetary cuts or changes in services.
- Shows how revenue and expenses will trend.

November 2018 12 Month Rolling Forecast	ACTUAL	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	PROJ	VARIANCE
(in Millions)	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	OCT 2019	TOTAL 12 MONTHS	FY19 BUDGET	FROM BUDGET
Gross Patient Service Revenue	279,737	285,735	301,718	268,098	304,258	289,248	285,378	274,611	294,132	305,282	277,142	299,797	3,465,136	3,383,472	81,664
Net Patient Service Revenue	50,787	53,662	56,107	49,897	56,520	53,841	53,108	51,340	53,334	54,851	52,122	55,324	640,894	662,336	(21,442)
Total Supplemental Revenue	32,669	32,892	32,892	32,892	32,892	32,892	32,892	32,892	30,523	30,523	30,523	30,523	385,001	396,028	(11,027)
Net Operating Revenue	83,456	86,554	88,998	82,789	89,412	86,733	85,999	84,232	83,857	85,373	82,645	85,847	1,025,895	1,058,364	(32,469)
Total Operating Expenses	83,316	87,258	89,722	78,565	83,366	80,629	83,697	81,375	86,492	86,300	85,513	84,974	1,011,208	1,026,444	(15,236)
Operating Income	140	(704)	(723)	4,224	6,046	6,104	2,302	2,857	(2,636)	(927)	(2,868)	873	14,687	31,920	(17,233)
Non-Operating Income/(Expense)	(3,052)	(3,159)	(3,159)	(3,135)	(3,155)	(3,147)	(3,157)	(3,147)	(3,243)	(3,193)	(3,219)	(3,229)	(37,997)	(49,828)	11,831
Net Income	\$ (2,912)	\$ (3,863)	\$ (3,882)	\$ 1,089	\$ 2,890	\$ 2,956	\$ (855)	\$ (291)	\$ (5,879)	\$ (4,120)	\$ (6,087)	\$ (2,357)	\$ (23,310)	\$ (17,908)	\$ (5,402)
Operating Margin	0.2%	(0.8)%	(0.8)%	5.1%	6.8%	7.0%	2.7%	3.4%	(3.1)%	(1.1)%	(3.5)%	1.0%	1.4%	3.0%	(1.6)%
EBIDA Margin	1.7%	0.9%	0.7%	6.6%	8.3%	8.6%	4.3%	5.1%	(1.4)%	0.6%	(1.7)%	2.7%	3.1%	4.6%	(1.5)%
Collection % - NPSR	18.2%	18.8%	18.6%	18.6%	18.6%	18.6%	18.6%	18.7%	18.1%	18.0%	18.8%	18.5%	18.5%	19.6%	(1.1)%
Collection % - Total	29.8%	30.3%	29.5%	30.9%	29.4%	30.0%	30.1%	30.7%	28.5%	28.0%	29.8%	28.6%	29.6%	31.3%	(1.7)%