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Erie County Medical Center Corporation Operating and Capital Budgets

For the year ending 2022

9/29/2021

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Management Discussion and Analysis

September 30, 2021

The 2022 Budget maintains a path along the ECMCC Strategic Plan while addressing short and long-term recovery efforts resulting from the COVID-19 Pandemic. ECMCC's long-term goals will continue to be measured through the achievement of the ECMCC mission: improving clinical quality, service excellence, and the continued provision of health services to the communities ECMCC serves with compassion, all of which will require a steady recovery from the financial impacts seen during 2020 and 2021.

Management Discussion and Analysis

Given the additional preparedness costs and the time needed to recover, the 2022 goal is to continue to improve operating results without sacrificing quality while maintaining the services we provide. The proposed 2022 operating budget reflects an operating loss of \$15 million which represents an improvement of over 55% from the projected 2021 operating results, with the expectation of eliminating the loss by 2023. The proposed budget has been developed without compromising the following goals:

Budget Goals

- ✓ Maintain the highest quality of care provided
- ✓ Maintain critical services provided to the community
- ✓ Enhance patient experience through digital health platforms
- ✓ Maintain clinical preparedness for the Pandemic
- ✓ Comply with applicable bond covenants
- ✓ Continue on a stepped approach to recovery with a significant reduction in operating loss from 2021
- ✓ Prepare the budget to accomplish the goals without significant job actions

Management Discussion and Analysis

Budgetary assumptions are a key component of the process that was followed in developing the Budget. The following summarizes Management's perspective in the development of these assumptions

Activity Levels

The Budget has been prepared consistent with actual volume seen during fully operational months within 2021. Further consideration was given to the changes internally related to recent trends in volume and activity, the opening of the expanded medical surgical units, the shift of inpatient cases into the outpatient setting as a result of changing regulations and payer payment policies, new physician recruitment, as well as other factors. Management believes that the levels of activity contained within the Budget are achievable.

Management Discussion and Analysis

Revenue and Reimbursement

Projected reimbursement from government payers is based on current regulations and, where Management has evaluated as probable, proposed regulations. Reimbursement from commercial payers is based on current contracts, or at rates that Management has evaluated as probable for contracts currently being negotiated. Increases in net revenue associated with revenue cycle improvement initiatives have also been incorporated at levels that Management believes are attainable.

Other operating revenue has been budgeted based on historical experience while taking into account the impact of opening of ECMCC's Specialty Pharmacy operation.

Disproportionate share and upper payment limit payments have been budgeted based on the most current information available to Management.

Management Discussion and Analysis

Operating Expenses

Projected operating expenses are budgeted based on the volume of anticipated activity, along with adjustments for salary rate increases consistent with collective bargaining agreements, estimated benefit cost increases, supply and other expense inflation rates as well as impacts of critical performance improvement initiatives. In addition, continued expenses relating to Pandemic preparedness efforts within supplies, staffing and other expenses have been included. Management believes that the expenses contained in the budget are reasonable and attainable.

Non-Operating Revenue

Non-Operating Revenues have been budgeted consistent with the recent historical trends related to investment income. ECMCC has not included any additional Federal COVID-19 relief in the 2022 operating budget.

Management Discussion and Analysis

Cash Flows

Cash Flows have been budgeted based on the results of operations, investments in routine and non-routine capital assets, principal payments on long-term debt, payment of the remaining balance of the Medicare advances from 2020 and funding of employee benefit plans.

Range of Outcomes and Contingency Plans

Management has considered the sensitivity of each material assumption within the Budget. Management believes that the Budget is reasonably positioned within the range of potential outcomes and recognizes its responsibility for achieving these results. Given the uncertainty of certain material assumptions related to the ongoing Pandemic, future governmental reimbursement and benefit cost fluctuation, Management acknowledges that it may have to adjust operationally during 2022.

Regulatory Budget Reporting Requirements

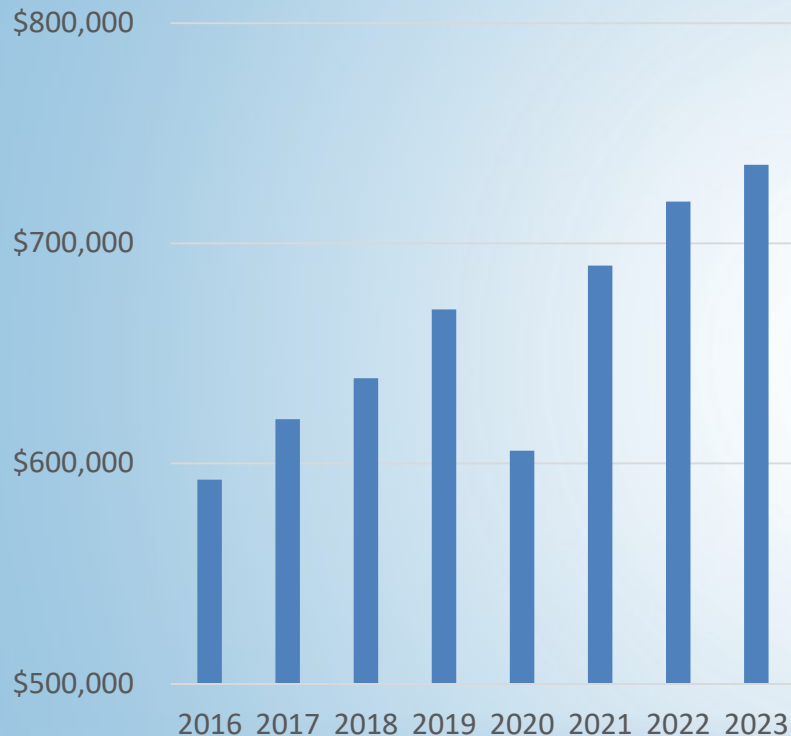
- All requirements have been met
 - NYCRR, Part 203, Chapter V, Title 2
 - This package communicates each of the 18 requirements
- New York State Office Of The State Comptroller
- Authority Budget Office
- PARIS submission and certification

Budget Process

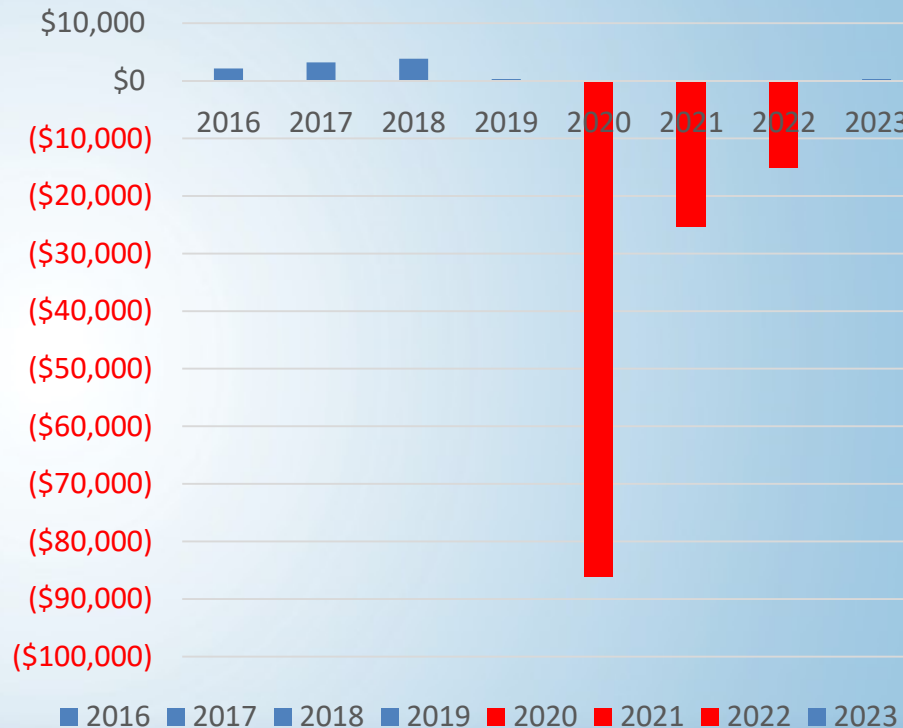
- Executive Leadership Team (ELT) adopt budget schedule and goals
- Using 2019, 2020 and 2021 year-to-date performance and known or anticipated budget variances, a baseline budget and financial projections were prepared
- ELT members meet with department managers to develop goals for operational performance
- ELT budget recommendation reviewed and approved by Finance Committee of ECMCC Board
- Budget recommendation reviewed and approved by ECMCC Board



Revenue



Operating Margin



Footnotes:

- Revenue excludes DSRIP Pass-Through grants
- 2020 – Initial COVID Impact on revenue and margin
- Operating margins include CARES Act Funding



Key Financial Ratios

	<u>2019</u>	<u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Budget</u> <u>2022</u>
Operating Margin %	0.04%	-23.34%	-5.12%	-2.09%
NYS PBC Average %	-5.4%	-5.4%		
Operating EBITDA %	4.8%	-16.6%	1.6%	5.2%
NYS PBC Average %	0.0%	0.0%		
FTE's	3,558	3,487	3,482	3,500
Days Cash On Hand	119.0	152.0	80.0	70.0
NYS PBC Average	62.9	62.9		
Debt Service Coverage	2.2	(1.27)	1.1	1.7
NYS PBC Average	1.1	1.1		
Salaries, Wages & Benefits % of Revenue	67.4%	83.8%	65.6%	64.7%
Supply Expense % of Revenue	17.9%	19.4%	18.7%	17.3%
Benefit % of Salaries and Wages	40.7%	52.5%	38.8%	36.9%
Days In Accounts Receivable, net	58.2	56.8	56.0	56.0



Statements of Revenues and Expenses

(Thousands)

	<u>2020 Audited</u>		<u>2021 Projected</u>		<u>2022 Budget</u>		<u>Increase (Decrease)</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Net Patient Revenue	505,591	79.2%	579,012	100.0%	593,663	100.0%	14,651	2.5%
Disproportionate Share / IGT and UPL Payments	79,510	12.5%	93,062	16.1%	96,245	16.2%	3,183	3.4%
Other Operating Revenues	<u>52,908</u>	<u>8.3%</u>	<u>17,800</u>	<u>3.1%</u>	<u>29,067</u>	<u>4.9%</u>	<u>11,267</u>	<u>63.3%</u>
Total Operating Revenues	<u>638,009</u>	<u>100.0%</u>	<u>689,874</u>	<u>119.1%</u>	<u>718,975</u>	<u>121.1%</u>	<u>29,101</u>	<u>4.2%</u>
Operating Expenses								
Salaries and Wages	277,573	43.5%	273,393	47.2%	280,501	47.2%	7,108	2.6%
Employee Benefits	145,863	22.9%	106,153	18.3%	103,399	17.4%	(2,754)	-2.6%
Physician & Resident Fees	96,360	15.1%	96,271	16.6%	104,444	17.6%	8,173	8.5%
Purchased Services	68,854	10.8%	64,941	11.2%	65,584	11.0%	643	1.0%
Supplies	97,872	15.3%	108,263	18.7%	102,490	17.3%	(5,773)	-5.3%
Other Expenses	57,108	9.0%	30,128	5.2%	25,419	4.3%	(4,709)	-15.6%
Depreciation	32,283	5.1%	35,370	6.1%	41,051	6.9%	5,681	16.1%
Interest	<u>11,037</u>	<u>1.7%</u>	<u>10,664</u>	<u>1.8%</u>	<u>11,114</u>	<u>1.9%</u>	<u>450</u>	<u>4.2%</u>
Total Operating Expenses	<u>786,950</u>	<u>123.3%</u>	<u>725,183</u>	<u>125.2%</u>	<u>734,003</u>	<u>123.6%</u>	<u>8,820</u>	<u>1.2%</u>
Operating Income	(148,941)	-23.3%	(35,309)	-5.1%	(15,027)	-2.1%	20,282	-57.4%
CARES Act Funding Relief	<u>62,807</u>	<u>9.8%</u>	<u>10,000</u>	<u>1.4%</u>	<u>-</u>	<u>0.0%</u>	<u>(10,000)</u>	<u>-100.0%</u>
Income/(Loss) from Operations with CARES Act Relief	(86,134)	-13.5%	(25,309)	-3.7%	(15,027)	-2.1%	10,282	-40.6%
Non Operating Revenues	<u>6,854</u>	<u>1.1%</u>	<u>5,142</u>	<u>0.7%</u>	<u>6,253</u>	<u>0.9%</u>	<u>1,111</u>	<u>21.6%</u>
Excess of Revenues Over Expenses	<u>(79,280)</u>	<u>-12.4%</u>	<u>(20,167)</u>	<u>-2.9%</u>	<u>(8,774)</u>	<u>-1.2%</u>	<u>11,393</u>	<u>-56.5%</u>



Statements of Net Position

(Thousands)

	2020 Audited		2021 Projected		2022 Budget		Increase (Decrease)	
	\$	%	\$	%	\$	%	\$	%
Assets								
Current Assets								
Cash and Investments	136,701	12.5%	92,263	9.2%	78,046	8.2%	(14,217)	-15.4%
Patient Accounts Receivable, Net	78,716	7.2%	89,165	8.9%	91,113	9.5%	1,948	2.2%
Other Current Assets	<u>198,538</u>	<u>18.2%</u>	<u>165,634</u>	<u>16.6%</u>	<u>166,460</u>	<u>17.4%</u>	<u>826</u>	<u>0.5%</u>
Total Current Assets	<u>413,955</u>	<u>38.0%</u>	<u>347,062</u>	<u>34.7%</u>	<u>335,619</u>	<u>35.1%</u>	<u>(11,443)</u>	<u>-3.3%</u>
Assets Whose Use Is Limited	77,228	7.1%	74,267	7.4%	68,010	7.1%	(6,257)	14.4%
Property and Equipment, Net	334,157	30.6%	319,645	32.0%	296,594	31.0%	(23,050)	-7.2%
Other Assets	<u>264,895</u>	<u>24.3%</u>	<u>258,154</u>	<u>25.8%</u>	<u>255,555</u>	<u>26.7%</u>	<u>(2,599)</u>	<u>-1.0%</u>
Total Assets	<u><u>1,090,235</u></u>	<u><u>100.0%</u></u>	<u><u>999,128</u></u>	<u><u>100.0%</u></u>	<u><u>955,778</u></u>	<u><u>100.0%</u></u>	<u><u>(43,349)</u></u>	<u><u>-4.3%</u></u>
Liabilities and Net Assets								
Current Liabilities								
Current Portion of Long Term Debt	11,956	1.1%	14,550	1.5%	15,017	1.6%	467	3.2%
Accounts Payable, Third-Party & Accrued	307,745	28.2%	268,456	26.9%	244,209	25.6%	(24,247)	-9.0%
Total Current Liabilities	<u>319,701</u>	<u>29.3%</u>	<u>283,006</u>	<u>28.3%</u>	<u>259,226</u>	<u>27.1%</u>	<u>(23,780)</u>	<u>-8.4%</u>
Long Term Debt	237,089	21.7%	212,539	21.3%	197,522	20.7%	(15,017)	-7.1%
Deferred Inflows	101,575	9.3%	101,575	10.2%	101,575	10.6%	-	0.0%
Other Post Employment Benefits	385,845	35.4%	391,845	39.2%	394,845	41.3%	3,000	0.8%
Self Insurance Liabilities	235,994	21.6%	244,125	24.4%	245,346	25.7%	1,221	0.5%
Medicare Advance, net of current portion	<u>23,826</u>	<u>2.2%</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>N/A</u>
Total Liabilities	<u>1,304,030</u>	<u>119.6%</u>	<u>1,233,090</u>	<u>123.4%</u>	<u>1,198,514</u>	<u>125.4%</u>	<u>(34,576)</u>	<u>-2.8%</u>
Net Position	<u>(213,795)</u>	<u>-19.6%</u>	<u>(233,962)</u>	<u>-23.4%</u>	<u>(242,735)</u>	<u>-25.4%</u>	<u>(8,773)</u>	<u>3.7%</u>
Total Liabilities and Net Assets	<u><u>1,090,235</u></u>	<u><u>100.0%</u></u>	<u><u>999,128</u></u>	<u><u>100.0%</u></u>	<u><u>955,778</u></u>	<u><u>100.0%</u></u>	<u><u>(43,349)</u></u>	<u><u>-4.3%</u></u>



Statements of Cash Flow

(Thousands)

	Audited <u>2020</u>	Projected <u>2021</u>	Budget <u>2022</u>	<u>Increase (Decrease)</u>	
					<u>%</u>
Cash Flows From Operating Activities					
Excess of Revenues Over Expenses	(64,751)	(20,167)	(8,774)	11,393	-56%
Depreciation & Amortization	32,284	35,370	41,051	5,681	16%
Medicare Advanced Payment Program	39,101	(23,826)	-	23,826	-100%
(Increase) Decrease in Patient Accounts Receivable, Net	7,856	(10,449)	(1,948)	8,501	-81%
(Increase) Decrease in Current and Other Assets	(123,456)	39,645	1,773	(37,872)	-96%
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	204,505	(39,289)	(24,247)	15,042	-38%
Increase (Decrease) in Deferred In-Flows	(11,789)	-	-	-	N/A
Increase (Decrease) in Self Insurance Liabilities	<u>5,588</u>	<u>14,131</u>	<u>4,221</u>	<u>(9,910)</u>	<u>-70%</u>
Net Cash Provided By (Used In) Operating Activities	<u>89,338</u>	<u>(4,585)</u>	<u>12,076</u>	<u>16,661</u>	<u>-363%</u>
Cash Flows From Investing Activities					
(Increase) Decrease in Assets Whose Use is Limited	73,568	2,961	6,257	3,296	111%
Cash Flows From Financing Activities					
Additions to Property and Equipment	(60,545)	(20,858)	(18,000)	2,858	-14%
Changes in Long Term Debt	<u>10,444</u>	<u>(21,956)</u>	<u>(14,550)</u>	<u>7,406</u>	<u>-34%</u>
Net Cash (Used In) Financing Activities	<u>(50,101)</u>	<u>(42,814)</u>	<u>(32,550)</u>	<u>10,264</u>	<u>-24%</u>
Net Increase (Decrease) in Cash and Investments	112,805	(44,438)	(14,217)	30,221	-68%
Cash and Investments, Beginning	<u>23,896</u>	<u>136,701</u>	<u>92,263</u>	<u>(44,438)</u>	<u>-33%</u>
Cash and Investments, Ending	<u>136,701</u>	<u>92,263</u>	<u>78,046</u>	<u>(14,217)</u>	<u>-15%</u>



Operating Performance Reconciliation

(Thousands)

Increase /
(Decrease)

2021 Budgeted Income from Operations (29,429)

Operating Revenues

Net Patient Service Revenue 13,021

Disproportionate Share, IGT and UPL Revenue 5,073

Other Operating Revenue 12,727

Total Operating Revenues 30,821

Operating Expenses

Salaries and Benefits 3,906

Physician Fees and Professional Services 8,280

Supplies 3,541

Other Expenses (4,726)

Depreciation and Amortization 5,115

Interest 303

Total Operating Expenses 16,420

2022 Budgeted Loss from Operations (15,027)

Principal Budget Assumptions

- Volume (based on full scope of services)
- Patient Revenue and Reimbursement
- IGT / UPL Payments
- Other Revenues
- Staffing Costs / Vacancy Management
- Other Expenses
- Cash Flows



Volume Summary

	2020	2021	2022	Increase (Decrease)	
	<u>Actual</u>	<u>Projection</u>	<u>Budget</u>	<u>22 - 21</u>	<u>%</u>
Discharges					
Acute	12,974	13,916	13,911	(5)	0.0%
Other	<u>6,136</u>	<u>5,846</u>	<u>6,208</u>	<u>362</u>	<u>6.2%</u>
Total	<u><u>19,110</u></u>	<u><u>19,762</u></u>	<u><u>20,119</u></u>	<u><u>357</u></u>	<u><u>1.8%</u></u>
Average Length of Stay					
Acute	6.8	7.4	7.2	(0.2)	-2.7%
Other	<u>10.3</u>	<u>10.4</u>	<u>9.3</u>	<u>(1.1)</u>	<u>-10.6%</u>
Total	<u><u>7.9</u></u>	<u><u>8.3</u></u>	<u><u>7.9</u></u>	<u><u>(0.4)</u></u>	<u><u>-4.8%</u></u>
Observation Cases	2,087	2,311	2,665	354	15.3%
Outpatient Visits	299,297	361,798	322,327	(39,471)	-10.9%
Clinics	121,498	142,408	140,234	(2,174)	-1.5%
Behavioral Health	39,385	36,096	40,516	4,420	12.2%
Chemical Dependency	28,121	26,292	30,600	4,308	16.4%
Dialysis	27,964	26,342	27,903	1,561	5.9%
Other	82,329	130,660	83,074	(47,586)	-36.4%
Surgical Cases					
Inpatient	5,142	5,182	5,539	357	6.9%
Outpatient	<u>6,413</u>	<u>7,860</u>	<u>8,241</u>	<u>381</u>	<u>4.8%</u>
Total	<u><u>11,555</u></u>	<u><u>13,042</u></u>	<u><u>13,780</u></u>	<u><u>738</u></u>	<u><u>5.7%</u></u>
Case Mix Index - Acute	<u>1.89</u>	<u>1.89</u>	<u>1.90</u>	<u>0</u>	<u>0.5%</u>
Emergency Visits	54,561	59,004	58,345	(659)	-1.1%
CPEP Visits	10,697	10,723	12,250	1,527	14.2%
Terrace View ADC	375.2	372.0	378.0	6.0	1.6%

Revenue

- Payer rate increase net of 2% (before cuts)
- Acute – IP Discharges consistent with 2021 levels
 - Growth in inpatient cases related to medical cases offset shift to outpatient surgery and 2021 elective surgery shutdown
 - Continued use of CD-Rehab as medical surgical unit
- Outpatient volume slight declines from 2021 levels
 - Increases in Behavioral Health, Dialysis, Chem Dependency offset by decreases in vaccination and testing visits
- IGT – Consistent with current year assumptions
- Revenue cycle process improvements of \$5M included within clinical documentation, professional billing, denials and bad debt expense



IGT and UPL Revenue (Accrual Basis Revenue)

	Budget <u>2021</u>	Projected <u>2021</u>	Budget <u>2022</u>
DSH	82,783	84,673	87,856
UPL	8,389	8,389	8,389
Total	<u>91,172</u>	<u>93,062</u>	<u>96,245</u>

Expenses

- Salaries
 - Increase in FTE's to 3,500 (3,480 - YTD August)
 - Union / collective bargaining agreement wage and step adjustments total an average of 3.5%
 - AFSCME – Exp. 12/31/21
 - NYSNA – Exp. 12/31/22
 - CSEA – Exp. 12/31/22
 - Non-Union wage adjustments total 2.5%
 - Staffing premium costs
- Benefits
 - Increased health insurance, workers compensation and unemployment related costs
 - Pension expense and post-retiree health expense included at current run rate
 - Impact of leaves included in 2022 vacancy factor

Expenses (cont'd)

- Physician & Residents
 - Notable increases
 - Hospitalist coverage need increased due to the census increase and Pandemic capacity need
 - CMS inflation for graduate medical education
 - New surgeons – thoracic, transplant
 - New medical physicians – ID, GI, oncology
 - Increase in GPPC total cost related to new physicians and expanded practice operations (volume and revenue also included).
- Contractual Fees/Purchased Services
 - Increases in certain purchased services within IT (security and licenses) and repair contracts on ED equipment

Expenses (cont'd)

- Supplies
 - COVID Supply cost decreases— PPE inventory built up in 2020-21 at premium pricing, continuing lab supply costs
 - Inflationary increases in all supply categories, most significant in pharmacy costs partially offset by savings initiatives (physician preference, pricing, joint contracting)
- Depreciation and Interest
 - Increased overall depreciation and interest costs
 - Project completion and debt service on bonds and leases
 - Lease accounting change, results in reclassification of operating lease rental expense to depreciation and interest

Cash Flow Assumptions

- Net decrease in cash of \$14 Million
 - Net operating loss, Medicare advance payback, capital and debt service
 - Days cash on hand reduced by 10 days from projected 2021
- Days in accounts receivable remaining consistent at 56 days
- Increase in routine capital budget spend to \$8.0 million (from \$5M) in addition to non-routine capital spending of \$10 Million

2022 Capital Budget Summary

Given stepped recovery, ECMCC must limit capital spending

- \$10 Million non-routine capital needs
 - Operating room enhancements (with philanthropy)
 - Kensington Heights
 - Grider Street
- \$8.0 Million routine capital spend
 - \$18M from internal operating funds

Performance Improvement Opportunities

- Length of stay management
- Accelerating Excellence operational improvements / OR optimization
- Specialty pharmacy implementation and acceptance by all payers
- Insurance plan relationship & improved governance
- Continued growth strategies including continuum of care management
- Vacancy management
- Continued infrastructure planning and investment in population health strategies

Emerging Issues and Risk Areas

- Staffing availability
- Federal and NYS reimbursement/funding uncertainty
- COVID-19 continuing impact uncertainty
- Inpatient volume sensitivity / insurance plan uncertainty
- Operating performance improvements
 - Market driven length of stay risks
- Pension expense and contribution changes
- Management of supply chain improvements
- GASB 96 – Subscription based IT agreements

5 Year Financial Projections

- Phase into a breakeven operating margin
- Reimbursement rate increases consistent with 2022 budget
- IGT/UPL at current projections
- Salary expense consistent with current collective bargaining agreements
- Benefits % of salary expense increase due to actuarial estimates
- Supply and other expense inflation consistent with current trend
- Achievement of operational improvement goals



Statements of Revenues and Expenses – Projected

(Thousands)

	Audited <u>2020</u>	Projected <u>2021</u>	Budget <u>2022</u>	<u>2023</u>	<u>2024</u>	Projected <u>2025</u>	<u>2026</u>	<u>2027</u>
Operating Revenues								
Net Patient Service Revenue	505,591	579,012	593,663	610,103	626,741	643,605	660,637	677,841
Disproportionate Share, IGT and UPL Revenue	79,510	93,062	96,245	96,245	96,245	96,245	96,245	96,245
Other Operating Revenue	<u>52,908</u>	<u>17,800</u>	<u>29,067</u>	<u>29,358</u>	<u>29,651</u>	<u>29,948</u>	<u>30,247</u>	<u>30,550</u>
Total Operating Revenues	<u>638,009</u>	<u>689,874</u>	<u>718,975</u>	<u>735,706</u>	<u>752,638</u>	<u>769,797</u>	<u>787,129</u>	<u>804,636</u>
Operating Expenses								
Salaries and Benefits	423,435	379,546	383,900	404,969	418,161	431,782	445,847	460,371
Physician Fees and Professional Services	165,214	161,212	170,028	173,295	176,634	180,046	183,534	187,098
Supplies	97,872	108,263	102,490	105,617	108,011	110,442	112,907	115,406
Other Expenses	57,108	30,128	25,419	26,446	27,514	28,626	29,782	30,986
Depreciation and Amortization	32,284	35,370	41,051	43,281	41,981	41,902	42,041	36,403
Interest	<u>11,037</u>	<u>10,664</u>	<u>11,114</u>	<u>10,352</u>	<u>9,540</u>	<u>9,017</u>	<u>8,085</u>	<u>7,447</u>
Total Operating Expenses	<u>786,950</u>	<u>725,183</u>	<u>734,002</u>	<u>763,959</u>	<u>781,840</u>	<u>801,816</u>	<u>822,197</u>	<u>837,711</u>
	(148,941)	(35,309)	(15,027)	(28,253)	(29,202)	(32,018)	(35,068)	(33,075)
Performance Improvement Initiatives	-	-	-	28,553	29,552	32,468	35,568	33,575
Income/(Loss) from Operations	(148,941)	(35,309)	(15,027)	300	350	450	500	500
CARES Act Funding Relief	<u>62,807</u>	<u>10,000</u>	-	-	-	-	-	-
Income/(Loss) from Operations with CARES Act Relief	(86,134)	(25,309)	(15,027)	300	350	450	500	500
Non Operating Revenues & Capital Contributions	<u>21,383</u>	<u>5,142</u>	<u>6,253</u>	<u>1,929</u>	<u>2,487</u>	<u>2,745</u>	<u>3,001</u>	<u>3,229</u>
Excess of Revenues Over Expenses	<u>(64,751)</u>	<u>(20,167)</u>	<u>(8,774)</u>	<u>2,229</u>	<u>2,837</u>	<u>3,195</u>	<u>3,501</u>	<u>3,729</u>



Statements of Financial Position – Projected

(Thousands)

	Audited <u>2020</u>	Projected <u>2021</u>	Budget <u>2022</u>	<u>2023</u>	<u>2024</u>	Projected <u>2025</u>	<u>2026</u>	<u>2027</u>
ASSETS								
Current Assets								
Cash & Investments	136,701	92,263	78,451	98,112	115,614	132,024	146,534	155,441
Patient Accounts Receivable	78,716	89,165	91,395	92,294	93,061	95,555	98,102	100,649
Other Current Assets	198,538	165,634	166,460	168,016	169,548	170,076	173,655	177,322
Total Current Assets	<u>413,955</u>	<u>347,062</u>	<u>336,306</u>	<u>358,423</u>	<u>378,224</u>	<u>397,654</u>	<u>418,291</u>	<u>433,412</u>
Assets Whose Use Is Limited	77,228	74,267	68,010	67,690	67,367	68,040	68,721	69,408
Property and Equipment	334,157	319,645	296,594	263,382	246,473	229,645	212,681	201,358
Other Assets	<u>264,895</u>	<u>258,154</u>	<u>255,555</u>	<u>254,176</u>	<u>253,272</u>	<u>252,443</u>	<u>251,993</u>	<u>251,738</u>
Total Assets	<u>1,090,235</u>	<u>999,128</u>	<u>956,465</u>	<u>943,671</u>	<u>945,335</u>	<u>947,782</u>	<u>951,686</u>	<u>955,917</u>
LIABILITIES AND NET ASSETS								
Current Liabilities								
Current Portion of Long Term Debt	11,956	14,550	15,017	14,549	14,274	13,274	13,274	13,274
Accounts Payable, Third-Party & Accrued	<u>307,745</u>	<u>268,456</u>	<u>244,896</u>	<u>235,662</u>	<u>239,806</u>	<u>244,093</u>	<u>248,525</u>	<u>253,049</u>
Total Current Liabilities	<u>319,701</u>	<u>283,006</u>	<u>259,913</u>	<u>250,211</u>	<u>254,080</u>	<u>257,367</u>	<u>261,799</u>	<u>266,323</u>
Long Term Debt	237,089	212,539	197,522	182,973	168,699	155,425	142,151	128,877
Deferred Inflows	101,575	101,575	101,575	106,575	111,575	116,575	121,575	126,575
Other Post Employment Benefits	385,845	391,845	394,845	397,845	400,845	403,845	406,845	409,845
Self Insurance Reserves	235,994	244,125	245,346	246,573	247,806	249,045	250,290	251,541
Medicare Advance Payment Program, net of current portion	<u>23,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,304,030</u>	<u>1,233,090</u>	<u>1,199,201</u>	<u>1,184,177</u>	<u>1,183,005</u>	<u>1,182,257</u>	<u>1,182,660</u>	<u>1,183,161</u>
Net Position	<u>(213,795)</u>	<u>(233,962)</u>	<u>(242,736)</u>	<u>(240,507)</u>	<u>(237,669)</u>	<u>(234,475)</u>	<u>(230,974)</u>	<u>(227,245)</u>
Total Liabilities and Net Assets	<u>1,090,235</u>	<u>999,128</u>	<u>956,465</u>	<u>943,671</u>	<u>945,335</u>	<u>947,782</u>	<u>951,686</u>	<u>955,917</u>

Statements of Cash Flow - Projected

(Thousands)

	Audited <u>2020</u>	Projected <u>2021</u>	Budget <u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Projected</u> <u>2025</u>	<u>2026</u>	<u>2027</u>
Cash Flows From Operating Activities								
Excess of Revenues Over Expenses	(64,751)	(20,167)	(8,774)	2,229	2,837	3,195	3,501	3,729
Depreciation & Amortization	32,284	35,370	41,051	43,281	41,981	41,902	42,041	36,403
Provision for bad debt	32,951	16,970	17,618	17,654	17,692	17,735	17,778	17,822
Medicare Advanced Payment Program	39,101	(23,826)						
(Increase) Decrease in Patient Accounts Receivable, Net	7,856	(10,449)	(2,230)	(899)	(767)	(2,494)	(2,547)	(2,547)
(Increase) Decrease in Current and Other Assets	(123,456)	39,645	1,773	(246)	(699)	227	(3,207)	(3,492)
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	204,505	(39,289)	(23,560)	(9,233)	4,143	4,287	4,432	4,524
Increase (Decrease) in Third Party Payer Settlements	(306)	927	-	109	59	59	60	61
Increase (Decrease) in Deferred In Flows	(11,789)	-	-	5,000	5,000	5,000	5,000	5,000
Increase (Decrease) in Self Insurance Liabilities	<u>5,588</u>	<u>14,131</u>	<u>4,221</u>	<u>4,227</u>	<u>4,233</u>	<u>4,239</u>	<u>4,245</u>	<u>4,251</u>
Net Cash Provided By (Used In) Operating Activities	89,338	(4,585)	12,481	44,359	56,728	56,356	53,465	47,868
Cash Flows From Investing Activities	73,568	2,961	6,257	320	323	(673)	(681)	(687)
Cash Flows From Financing Activities								
Additions to Property and Equipment	(60,545)	(20,858)	(18,000)	(10,000)	(25,000)	(25,000)	(25,000)	(25,000)
Changes in Long Term Debt	<u>10,444</u>	<u>(21,956)</u>	<u>(14,550)</u>	<u>(15,017)</u>	<u>(14,549)</u>	<u>(14,274)</u>	<u>(13,274)</u>	<u>(13,274)</u>
Net Cash (Used In) Financing Activities	<u>(50,101)</u>	<u>(42,814)</u>	<u>(32,550)</u>	<u>(25,017)</u>	<u>(39,549)</u>	<u>(39,274)</u>	<u>(38,274)</u>	<u>(38,274)</u>
Net Increase (Decrease) in Cash and Investments	112,805	(44,438)	(13,812)	19,662	17,502	16,409	14,510	8,907
Cash and Investments, Beginning	<u>23,896</u>	<u>136,701</u>	<u>92,263</u>	<u>78,451</u>	<u>98,112</u>	<u>115,614</u>	<u>132,024</u>	<u>146,534</u>
Cash and Investments, Ending	<u>136,701</u>	<u>92,263</u>	<u>78,451</u>	<u>98,112</u>	<u>115,614</u>	<u>132,024</u>	<u>146,534</u>	<u>155,441</u>