

The difference between healthcare and true care™



ecmc.edu

Erie County Medical Center Corporation Operating and Capital Budgets

For the year ending 2023



Table of Contents

	<u>Page</u>
Management Discussion and Analysis	3-8
Regulatory Reporting Requirements	9
Budget Process	10
Performance Comparison	11
Key Financial Ratios	12
Financial Statements	13-15
Operating Performance Reconciliation	16
Principal Budget Assumptions	17-24
Performance Improvement Opportunities	25
Emerging Issues and Risk Areas	26
Capital Budget Summary	27
2024 - 2028 Financial Projections	28-31

Management Discussion and Analysis

September 30, 2022

The 2023 Budget maintains a path along the ECMCC Strategic Plan while focusing on both short and long-term financial and operational recovery efforts resulting from the devastating ongoing significant and lasting effects of 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 since March of 2020. In the short-term however, a significant focus has been placed on recruitment and retention of staff through investments in our people.

Management Discussion and Analysis

The industry is experiencing similar financial and operational challenges both locally and nationally. Given the extent of the financial impact these challenges have had, ECMCC has recognized that time along with future external support are needed to properly recover. Given the time needed, the 2023 goal is to maintain steady operating and investing cash flow through the improvement in operating results through efficiency improvements and programmatic changes without sacrificing quality or the critical services we provide. The proposed 2023 operating budget reflects an operating loss of \$35 million, an improvement of over 63% from the projected 2022 operating results. The proposed budget has been developed with the following goals in mind:

Budget Goals

- ✓ Maintain the highest quality of care provided
- ✓ Maintain critical services provided to the community
- ✓ Continue a stepped approach to recovery with a significant reduction in operating loss from 2022
- ✓ Further enhance patient experience through expanding digital health platforms
- ✓ Maximize recruitment and retention of staff
- ✓ 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 2022. Further consideration was given to the changes internally related to recent trends in volume and activity, an anticipated improvement in the ability to discharge patients and ultimately length of stay, 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 and proposed regulations where Management has evaluated as probable. 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 related to contract underpayments and payer denial management 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 a full year's operation of ECMCC's Specialty Pharmacy.

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 current or anticipated 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 ongoing 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, New York State operational support or FEMA related support in the 2023 operating budget.

Management Discussion and Analysis

Cash Flows

2023 cash flow will remain a key focus of Management given the challenges. The Budget has been designed to maintain operating cash throughout the year. 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, continued investments in a clinically integrated network and the 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 uncertain inflationary pressures, the ongoing community capacity and staffing challenges resulting from the Pandemic, future governmental reimbursement and benefit cost fluctuation, Management acknowledges that it may have to adjust operationally during 2023.

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

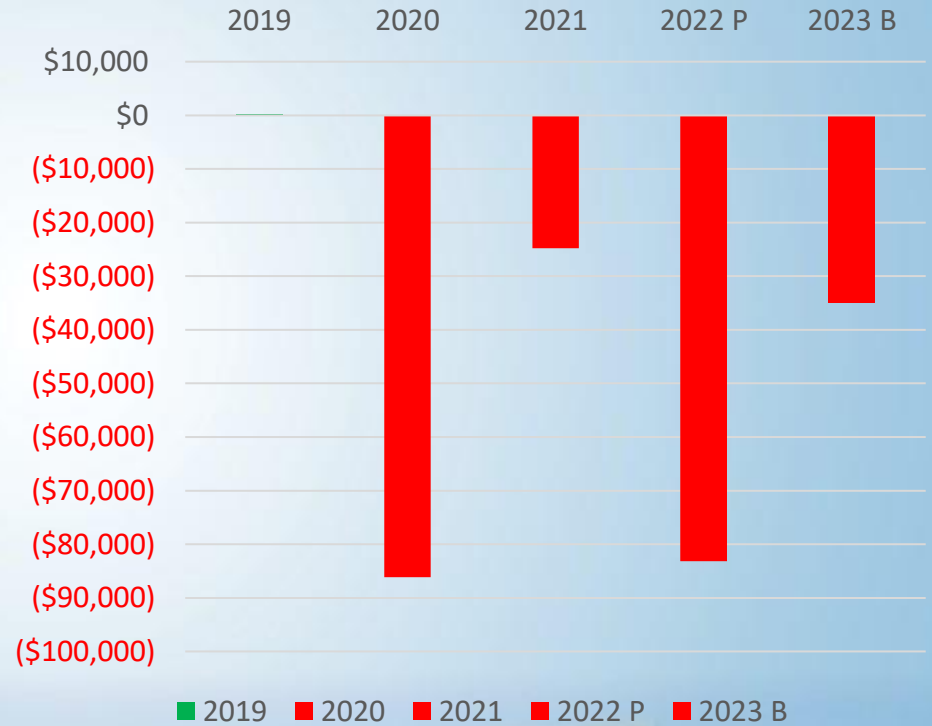
- Executive Leadership Team (ELT) adopt budget schedule and goals
- Using 2020, 2021 and 2022 year-to-date performance and known or anticipated budget variances, a baseline budget and financial projections were prepared
- ELT members meet with department managers to develop departmental targets and performance improvement initiatives
- ELT budget recommendation reviewed and approved by Finance Committee of ECMCC Board
- Budget recommendation reviewed and approved by ECMCC Board



Revenue



Operating Margin



Footnotes:

- 2019 Revenue Includes DSRIP Pass-Through funds and CREPS Grants
- For comparability purposes in this chart, operating margins include CARES/ARP/PPP Funding

Key Financial Ratios

	<u>2020</u>	<u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Budget</u> <u>2023</u>
Operating Margin %	-23.34%	-5.22%	-13.22%	-4.57%
NYS PBC Average %	-5.4%	-1.1%		
Operating EBITDA %	-16.6%	1.5%	-6.7%	1.1%
NYS PBC Average %	0.0%	6.4%		
FTE's	3,487	3,453	3,423	3,530
Days Cash On Hand	91.0	106.0	60.0	60.0
NYS PBC Average	62.9	80.6		
Debt Service Coverage	(1.3)	1.1	(1.8)	0.4
NYS PBC Average	1.1	2.6		
Salaries, Wages & Benefits % of Revenue	83.8%	63.6%	70.8%	67.0%
Supply Expense % of Revenue	19.4%	19.9%	20.7%	21.0%
Benefit % of Salaries and Wages	52.5%	31.2%	34.9%	33.4%
Days In Accounts Receivable, net	56.8	49.5	49.8	49.8



Statements of Revenues and Expenses

(Thousands)

	<u>2021 Audited</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>Increase (Decrease)</u>	
Net Patient Revenue	\$ 566,104	\$ 576,616	\$ 611,984	\$ 35,368	6.1%
Disproportionate Share / IGT and UPL Payments	101,620	104,245	116,351	12,106	11.6%
Other Operating Revenues	<u>21,498</u>	<u>26,716</u>	<u>37,635</u>	<u>10,919</u>	<u>40.9%</u>
Total Operating Revenues	<u>689,222</u>	<u>707,577</u>	<u>765,970</u>	<u>58,393</u>	<u>8.3%</u>
Operating Expenses					
Salaries and Benefits	359,971	408,460	409,792	1,332	0.3%
Physician Fees and Professional Services	169,142	192,051	182,590	(9,461)	-4.9%
Supplies	112,497	119,179	128,714	9,535	8.0%
Other Expenses	<u>83,599</u>	<u>81,401</u>	<u>79,871</u>	<u>(1,530)</u>	<u>-1.9%</u>
Total Operating Expenses	<u>725,209</u>	<u>801,091</u>	<u>800,967</u>	<u>(124)</u>	<u>0.0%</u>
Operating Income before CARES Act Funding	(35,987)	(93,514)	(34,997)	58,517	-62.6%
CARES Act Funding Relief / PPP	<u>1,238</u>	<u>10,328</u>	<u>-</u>	<u>(10,328)</u>	<u>-100.0%</u>
Income/(Loss) from Operations with CARES Act Relief	(34,749)	(83,186)	(34,997)	48,189	-57.9%
Other Non-Operating Revenues	<u>12,803</u>	<u>(12,170)</u>	<u>1,322</u>	<u>13,492</u>	<u>-110.9%</u>
Excess of Revenues Over Expenses	<u>\$ (21,946)</u>	<u>\$ (95,356)</u>	<u>\$ (33,675)</u>	<u>\$ 61,681</u>	<u>-64.7%</u>

Statements of Net Position

(Thousands)

	<u>2021 Audited</u>		<u>2022 Projected</u>		<u>2023 Budget</u>		<u>Increase (Decrease)</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
Assets								
Current Assets								
Cash and Investments	89,828	8.4%	52,668	5.6%	53,708	5.9%	1,039	2.0%
Patient Accounts Receivable, Net	76,715	7.2%	78,673	8.4%	80,161	8.8%	1,488	1.9%
Other Current Assets	<u>196,916</u>	<u>18.5%</u>	<u>157,977</u>	<u>16.8%</u>	<u>155,505</u>	<u>17.0%</u>	<u>(2,472)</u>	<u>-1.6%</u>
Total Current Assets	<u>363,459</u>	<u>34.1%</u>	<u>289,319</u>	<u>30.7%</u>	<u>289,374</u>	<u>31.7%</u>	<u>56</u>	<u>0.0%</u>
Assets Whose Use Is Limited	76,697	7.2%	64,363	6.8%	64,759	7.1%	396	-1.3%
Property and Equipment, Net	324,385	30.4%	306,231	32.5%	280,089	30.7%	(26,141)	-8.5%
Other Assets	<u>301,001</u>	<u>28.2%</u>	<u>282,122</u>	<u>29.9%</u>	<u>278,333</u>	<u>30.5%</u>	<u>(3,789)</u>	<u>-1.3%</u>
Total Assets	<u>1,065,542</u>	<u>100.0%</u>	<u>942,035</u>	<u>100.0%</u>	<u>912,555</u>	<u>100.0%</u>	<u>(29,478)</u>	<u>-3.1%</u>
Liabilities and Net Assets								
Current Liabilities								
Current Portion of Long Term Debt	12,019	1.1%	12,249	1.3%	12,702	1.4%	453	3.7%
Accounts Payable, Third-Party & Accrued	296,319	27.8%	259,101	27.5%	265,489	29.1%	6,388	2.5%
Total Current Liabilities	<u>308,338</u>	<u>28.9%</u>	<u>271,350</u>	<u>28.8%</u>	<u>278,191</u>	<u>30.5%</u>	<u>6,841</u>	<u>2.5%</u>
Long Term Debt	217,025	20.4%	203,542	21.6%	191,840	21.0%	(11,702)	-5.7%
Deferred Inflows	355,443	33.4%	355,443	37.7%	360,443	39.5%	5,000	1.4%
Other Post Employment Benefits	365,951	34.3%	373,288	39.6%	373,288	40.9%	-	0.0%
Self Insurance Liabilities	53,783	5.0%	56,658	6.0%	60,715	6.7%	4,057	7.2%
Total Liabilities	<u>1,300,540</u>	<u>122.1%</u>	<u>1,260,281</u>	<u>133.8%</u>	<u>1,264,477</u>	<u>138.6%</u>	<u>4,196</u>	<u>0.3%</u>
Net Position	<u>(234,998)</u>	<u>-22.1%</u>	<u>(318,246)</u>	<u>-33.8%</u>	<u>(351,921)</u>	<u>-38.6%</u>	<u>(33,675)</u>	<u>10.6%</u>
Total Liabilities and Net Assets	<u>1,065,542</u>	<u>100.0%</u>	<u>942,035</u>	<u>100.0%</u>	<u>912,556</u>	<u>100.0%</u>	<u>(29,479)</u>	<u>-3.1%</u>

Statements of Cash Flow

(Thousands)

	Audited <u>2021</u>	Projected <u>2022</u>	Budget <u>2023</u>	<u>Increase (Decrease)</u> <u>%</u>	
Cash Flows From Operating Activities					
Excess of Revenues Over Expenses	(21,946)	(95,356)	(33,675)	61,681	-65%
Depreciation & Amortization	35,980	36,154	34,142	(2,012)	-6%
Medicare Advanced Payment Program	(18,222)	(20,879)		20,879	-100%
(Increase) Decrease in Patient Accounts Receivable, Net	2,001	(1,958)	(1,488)	470	-24%
(Increase) Decrease in Current and Other Assets	(59,781)	57,818	6,261	(51,557)	-89%
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	(208,724)	(16,339)	6,388	22,727	-139%
Increase (Decrease) in Deferred In-Flows	235,053	-	5,000	5,000	N/A
Increase (Decrease) in Self Insurance Liabilities	5,909	10,212	4,057	(6,155)	-60%
Net Cash Provided By (Used In) Operating Activities	<u>(29,730)</u>	<u>(30,348)</u>	<u>20,684</u>	<u>51,033</u>	<u>-168%</u>
Cash Flows From Investing Activities					
(Increase) Decrease in Assets Whose Use is Limited	25,827	24,442	(395)	(24,837)	-102%
Cash Flows From Financing Activities					
Additions to Property and Equipment	(23,701)	(18,000)	(8,000)	10,000	-56%
Changes in Long Term Debt	<u>(19,269)</u>	<u>(13,253)</u>	<u>(11,249)</u>	<u>2,004</u>	<u>-15%</u>
Net Cash (Used In) Financing Activities	<u>(42,970)</u>	<u>(31,253)</u>	<u>(19,249)</u>	<u>12,004</u>	<u>-38%</u>
Net Increase (Decrease) in Cash and Investments	(46,873)	(37,159)	1,040	38,199	-103%
Cash and Investments, Beginning	<u>136,701</u>	<u>89,828</u>	<u>52,668</u>	<u>(37,159)</u>	<u>-41%</u>
Cash and Investments, Ending	<u>89,828</u>	<u>52,668</u>	<u>53,708</u>	<u>1,040</u>	<u>2%</u>

Operating Performance Reconciliation

(Thousands)

	<u>2022 Budget</u>	<u>2023 Budget</u>	<u>Increase / (Decrease)</u>
2022 Budgeted Income from Operations			(15,027)
Operating Revenues			
Net Patient Service Revenue	593,663	611,984	18,321
Disproportionate Share, IGT and UPL Revenue	96,245	116,351	20,106
Other Operating Revenue	<u>29,067</u>	<u>37,635</u>	<u>8,568</u>
Total Operating Revenues	<u>718,975</u>	<u>765,970</u>	<u>46,995</u>
Operating Expenses			
Salaries and Benefits	383,900	409,792	25,892
Physician Fees and Professional Services	170,028	182,590	12,562
Supplies	102,490	128,714	26,224
Other Expenses	25,419	36,271	10,852
Depreciation and Amortization	41,051	34,142	(6,909)
Interest	<u>11,114</u>	<u>9,458</u>	<u>(1,656)</u>
Total Operating Expenses	<u>734,003</u>	<u>800,967</u>	<u>66,964</u>
2023 Budgeted Loss from Operations	<u>(15,027)</u>	<u>(34,997)</u>	<u>(19,970)</u>

Principal Budget Assumptions

- Volume
- Patient Revenue and Reimbursement
- IGT / UPL Payments
- Other Revenues
- Staffing Costs / Vacancy Management
- Other Expenses
- Cash Flows



Volume Summary

	2021 <u>Actual</u>	2022 <u>Projection</u>	2023 <u>Budget</u>	<u>Increase (Decrease)</u>	
				<u>23 - 22</u>	<u>%</u>
Discharges					
Acute	13,325	12,326	12,996	670	5.4%
Other	<u>5,559</u>	<u>5,187</u>	<u>5,197</u>	<u>10</u>	<u>0.2%</u>
Total	<u><u>18,884</u></u>	<u><u>17,513</u></u>	<u><u>18,193</u></u>	<u><u>680</u></u>	<u><u>3.9%</u></u>
Average Length of Stay					
Acute	8.2	9.4	8.5	(0.9)	-9.8%
Other	<u>10.9</u>	<u>12.0</u>	<u>11.9</u>	<u>(0.1)</u>	<u>-0.7%</u>
Total	<u><u>9.0</u></u>	<u><u>10.2</u></u>	<u><u>9.5</u></u>	<u><u>(0.7)</u></u>	<u><u>-6.9%</u></u>
Observation Cases	1,956	2,192	1,950	(242)	-11.0%
Outpatient Visits	279,545	275,800	278,050	2,250	0.8%
Clinics	138,557	136,823	132,415	(4,408)	-3.2%
Behavioral Health	33,615	32,552	34,767	2,215	6.8%
Chemical Dependency	25,106	23,088	23,270	182	0.8%
Dialysis	26,119	24,965	27,252	2,287	9.2%
Other	56,148	58,372	60,346	1,974	3.4%
Surgical Cases					
Inpatient	5,373	5,046	5,462	416	8.2%
Outpatient	<u>8,490</u>	<u>7,353</u>	<u>7,802</u>	<u>449</u>	<u>6.1%</u>
Total	<u><u>13,863</u></u>	<u><u>12,399</u></u>	<u><u>13,264</u></u>	<u><u>865</u></u>	<u><u>7.0%</u></u>
Case Mix Index - Acute	<u>1.89</u>	<u>1.85</u>	<u>1.89</u>	<u>0</u>	<u>2.2%</u>
Emergency Visits	58,159	52,202	54,968	2,766	5.3%
CPEP Visits	10,485	9,812	10,032	220	2.2%
Terrace View ADC	362.8	339.1	375.0	35.9	10.6%

Revenue

- Overall average payer rate increase net of 4% (includes Commercial, Medicare, Medicaid)
- Acute – IP Discharges increase from 2022 levels
 - Growth in inpatient cases related to improved community skilled nursing facility access, average length of stay, accounting for the 2022 elective surgery restrictions
- Outpatient volume slight increase from 2022 levels
 - Increases in emergency room visits, dialysis, and behavioral health clinic visits
- Terrace View average daily census increase to 375 residents
 - Increase in staffing will allow for increased census and re-opening of units.
- IGT – Year over year growth based upon estimated net changes in allowable costs and associated revenue.
- Revenue cycle process improvements of \$5M included within contract underpayments, professional billing, denials and bad debt expense



IGT and UPL Revenue (Accrual Basis Revenue)

	<u>Budget 2022</u>	<u>Projected 2022</u>	<u>Budget 2023</u>
DSH	82,783	94,245	106,351
UPL	8,389	10,000	10,000
Total	<u>91,172</u>	<u>104,245</u>	<u>116,351</u>

Expenses

- Salaries
 - Decrease in overall FTE's to 3,530 (3,600 - @ 8/31/22)
 - Vacancy management and attrition
 - Reduced premium costs to staff open shifts
 - Contracted wage adjustments total an average of 3.0%
 - Non-Union wage adjustments total 2.5%
- Benefits
 - Increased health insurance, workers compensation and unemployment related costs offset by a decline in pension expense
 - Post-retiree health benefit cost included at current run rate

Expenses (cont'd)

- Physician & Residents
 - Notable increases
 - Hospitalist coverage cost increased due to expanded responsibilities and inflation
 - Contracted fee increases
 - CMS inflation for graduate medical education – University Faculty
 - University resident salary inflation
 - New surgeons – Orthopedics, Plastic & Reconstructive
 - New medical physicians – Neurology, Primary Care
 - Increase in GPPC total cost related to new physicians and expanded practice operations (volume and revenue also included).
- Contractual Fees/Purchased Services
 - Reduction in contractual fees associated with temporary agency nursing personnel

Expenses (cont'd)

- Supplies
 - Increase in volume from projected 2022 volume levels including an increase in both inpatient and outpatient surgeries
 - Inflationary increases in all supply categories, most significant in pharmacy costs partially offset by savings initiatives (physician preference, pricing, joint contracting)
 - Increase in specialty pharmacy drug costs related to volume from a full year of operations
- Depreciation and Interest
 - Decreased overall depreciation and interest costs
 - Expense based upon all depreciable assets remaining depreciation plus new capital anticipated.
 - Smaller non-project capital expenditures for 2020, 2021, 2022.

Cash Flow Assumptions

- Net change in cash of \$1 Million
 - Days cash on hand steady at 60 days from projected 2022
- Days in accounts receivable remaining consistent at 49.8 days
- Routine capital budget spend consistent with 2022 at \$8.0 million



Performance Improvement Initiatives

- Length of stay improvements
- Vacancy management / contract agency usage reduction
- Year 2 of specialty pharmacy operations and acceptance by all payers, expansion of volume
- Value analysis program expansion to physician preference items
- Insurance plan relationship, increased rates, partnership revenue & improved governance
- Continued inpatient growth strategies
- Continued infrastructure planning and investment in population health strategies
- Outpatient service line improvement (efficiency and focused growth)

Emerging Issues and Risk Areas

- Operating performance improvements
 - Market driven length of stay risks
 - Recruitment and retention risks
- Continued inflationary pressures on staffing and other operating costs
- Federal and NYS reimbursement uncertainty
- Inpatient volume sensitivity
 - Insurance plan activity
 - Market disruptors
- Pension expense and contribution changes
- GASB 96 – Subscription based IT agreements
- GASB 97 – Lease Accounting

2023 Capital Budget Summary

Given stepped recovery, ECMCC must limit capital spending

- \$8.0 Million routine capital spend
 - \$8M from internal operating funds

5 Year Financial Projections

- Reimbursement rate increases consistent with 2023 budget
- IGT/UPL at current projections
- Salary expense consistent with current collective bargaining agreements
- Benefits % of salary expense steady throughout projection period
- Supply and other expense inflation reduced from 2022 and 2023 inflation to reflect more reasonable growth after 2023
- Reflects need for additional operational Federal and/or New York State support in addition to management's achievement of ongoing operational improvements

Statements of Revenues and Expenses – Projected

(Thousands)

	Audited <u>2021</u>	Projected <u>2022</u>	Budget <u>2023</u>	<u>2024</u>	<u>2025</u>	Projected <u>2026</u>	<u>2027</u>	<u>2028</u>
Operating Revenues								
Net Patient Service Revenue	566,104	576,616	611,984	623,396	637,383	658,472	680,550	695,941
Disproportionate Share, IGT and UPL Revenue	101,620	104,245	116,351	116,351	116,351	116,351	116,351	116,351
Other Operating Revenue	<u>21,498</u>	<u>26,716</u>	<u>37,635</u>	<u>38,011</u>	<u>38,391</u>	<u>38,775</u>	<u>39,163</u>	<u>39,555</u>
Total Operating Revenues	<u>689,222</u>	<u>707,577</u>	<u>765,970</u>	<u>777,759</u>	<u>792,126</u>	<u>813,599</u>	<u>836,064</u>	<u>851,846</u>
Operating Expenses								
Salaries and Benefits	359,971	408,460	409,792	415,561	428,681	442,215	456,177	470,580
Physician Fees and Professional Services	169,142	192,051	182,590	188,068	193,710	199,521	205,507	211,672
Supplies	112,497	119,179	128,714	132,966	136,591	141,032	145,650	149,639
Other Expenses	37,171	35,246	36,271	38,480	40,823	43,309	45,947	48,745
Depreciation and Amortization	35,980	36,154	34,142	37,407	37,600	38,457	39,695	33,856
Interest	<u>10,448</u>	<u>10,001</u>	<u>9,458</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>725,209</u>	<u>801,091</u>	<u>800,967</u>	<u>822,833</u>	<u>846,945</u>	<u>873,552</u>	<u>901,061</u>	<u>921,939</u>
Operational Support / Performance Improvements	<u>(35,987)</u>	<u>(93,514)</u>	<u>(34,997)</u>	<u>(45,075)</u>	<u>(54,819)</u>	<u>(59,953)</u>	<u>(64,997)</u>	<u>(70,093)</u>
Income/(Loss) from Operations	<u>(35,987)</u>	<u>(93,514)</u>	<u>(34,997)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(7,000)</u>	<u>500</u>	<u>500</u>
CARES Act Funding Relief	<u>1,238</u>	<u>10,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income/(Loss) from Operations with CARES Act Relief	<u>(34,749)</u>	<u>(83,186)</u>	<u>(34,997)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(7,000)</u>	<u>500</u>	<u>500</u>
Non Operating Revenues & Capital Contributions	<u>13,547</u>	<u>(12,170)</u>	<u>1,322</u>	<u>1,436</u>	<u>1,841</u>	<u>1,768</u>	<u>1,822</u>	<u>1,977</u>
Excess of Revenues Over Expenses	<u>(21,202)</u>	<u>(95,356)</u>	<u>(33,675)</u>	<u>(13,564)</u>	<u>(13,159)</u>	<u>(5,232)</u>	<u>2,322</u>	<u>2,477</u>

Statements of Financial Position – Projected

(Thousands)

	Audited <u>2021</u>	Projected <u>2022</u>	Budget <u>2023</u>	<u>2024</u>	<u>2025</u>	Projected <u>2026</u>	<u>2027</u>	<u>2028</u>
ASSETS								
Current Assets								
Cash & Investments	89,828	52,668	53,706	58,769	54,228	57,188	66,870	71,375
Patient Accounts Receivable	76,715	78,673	80,161	81,642	83,459	86,231	89,147	91,155
Other Current Assets	<u>196,916</u>	<u>157,977</u>	<u>155,505</u>	<u>161,905</u>	<u>163,380</u>	<u>164,252</u>	<u>167,835</u>	<u>171,461</u>
Total Current Assets	<u>363,459</u>	<u>289,319</u>	<u>289,372</u>	<u>302,316</u>	<u>301,067</u>	<u>307,671</u>	<u>323,852</u>	<u>333,990</u>
Assets Whose Use Is Limited	76,697	64,363	64,759	63,991	63,631	64,267	64,910	65,559
Property and Equipment	324,385	306,231	280,089	252,750	240,221	226,839	212,221	203,445
Other Assets	<u>301,001</u>	<u>282,122</u>	<u>278,335</u>	<u>276,266</u>	<u>274,843</u>	<u>273,681</u>	<u>272,639</u>	<u>271,731</u>
Total Assets	<u>1,065,542</u>	<u>942,035</u>	<u>912,556</u>	<u>895,323</u>	<u>879,761</u>	<u>872,458</u>	<u>873,621</u>	<u>874,725</u>
LIABILITIES AND NET ASSETS								
Current Liabilities								
Current Portion of Long Term Debt	12,019	12,249	12,702	13,495	13,434	13,654	13,848	14,205
Accounts Payable, Third-Party & Accrued	<u>296,319</u>	<u>259,101</u>	<u>265,489</u>	<u>268,024</u>	<u>270,900</u>	<u>275,038</u>	<u>279,303</u>	<u>283,539</u>
Total Current Liabilities	<u>308,338</u>	<u>271,350</u>	<u>278,191</u>	<u>281,519</u>	<u>284,334</u>	<u>288,692</u>	<u>293,151</u>	<u>297,744</u>
Long Term Debt	217,025	203,542	191,840	178,345	164,911	150,257	136,409	122,204
Deferred Inflows	355,443	355,443	360,443	365,443	370,443	375,443	380,443	385,443
Other Post Employment Benefits	365,951	373,288	373,288	376,288	379,288	382,288	385,288	388,288
Self Insurance Reserves	<u>53,783</u>	<u>56,658</u>	<u>60,715</u>	<u>59,213</u>	<u>59,429</u>	<u>59,653</u>	<u>59,884</u>	<u>60,123</u>
Total Liabilities	<u>1,300,540</u>	<u>1,260,281</u>	<u>1,264,477</u>	<u>1,260,808</u>	<u>1,258,405</u>	<u>1,256,333</u>	<u>1,255,175</u>	<u>1,253,802</u>
Net Position	<u>(234,998)</u>	<u>(318,246)</u>	<u>(351,921)</u>	<u>(365,485)</u>	<u>(378,644)</u>	<u>(383,876)</u>	<u>(381,554)</u>	<u>(379,077)</u>
Total Liabilities and Net Assets	<u>1,065,542</u>	<u>942,035</u>	<u>912,556</u>	<u>895,323</u>	<u>879,761</u>	<u>872,458</u>	<u>873,621</u>	<u>874,725</u>

Statements of Cash Flow - Projected

(Thousands)

	Audited <u>2021</u>	Projected <u>2022</u>	Budget <u>2023</u>	<u>2024</u>	<u>2025</u>	Projected <u>2026</u>	<u>2027</u>	<u>2028</u>
Cash Flows From Operating Activities								
Excess of Revenues Over Expenses	(21,202)	(95,356)	(33,675)	(13,564)	(13,159)	(5,232)	2,322	2,477
Depreciation & Amortization	35,980	36,154	34,142	37,407	37,600	38,457	39,695	33,856
Medicare Advanced Payment Program	(18,222)	(20,879)						
(Increase) Decrease in Patient Accounts Receivable, Net	2,001	(1,958)	(1,488)	(1,481)	(1,817)	(2,772)	(2,916)	(2,008)
(Increase) Decrease in Current and Other Assets	(59,781)	57,818	6,259	(4,399)	(123)	215	(2,618)	(2,799)
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	(208,724)	(16,339)	6,388	2,535	2,876	4,138	4,265	4,236
Increase (Decrease) in Deferred In Flows	235,053	-	5,000	5,000	5,000	5,000	5,000	5,000
Increase (Decrease) in Self Insurance Liabilities	<u>5,909</u>	<u>10,212</u>	<u>4,057</u>	<u>1,498</u>	<u>3,216</u>	<u>3,224</u>	<u>3,231</u>	<u>3,239</u>
Net Cash Provided By (Used In) Operating Activities	(28,986)	(30,348)	20,682	26,997	33,594	43,030	48,979	44,001
Cash Flows From Investing Activities	25,097	24,441	(396)	768	360	(636)	(644)	(648)
Cash Flows From Financing Activities								
Additions to Property and Equipment	(23,714)	(18,000)	(8,000)	(10,000)	(25,000)	(25,000)	(25,000)	(25,000)
Changes in Long Term Debt	<u>(19,269)</u>	<u>(13,253)</u>	<u>(11,249)</u>	<u>(12,702)</u>	<u>(13,495)</u>	<u>(14,434)</u>	<u>(13,654)</u>	<u>(13,848)</u>
Net Cash (Used In) Financing Activities	(42,983)	(31,253)	(19,249)	(22,702)	(38,495)	(39,434)	(38,654)	(38,848)
Net Increase (Decrease) in Cash and Investments	(46,872)	(37,160)	1,037	5,063	(4,541)	2,960	9,682	4,505
Cash and Investments, Beginning	<u>136,701</u>	<u>89,829</u>	<u>52,668</u>	<u>53,706</u>	<u>58,769</u>	<u>54,228</u>	<u>57,188</u>	<u>66,870</u>
Cash and Investments, Ending	<u>89,829</u>	<u>52,668</u>	<u>53,706</u>	<u>58,769</u>	<u>54,228</u>	<u>57,188</u>	<u>66,870</u>	<u>71,375</u>