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# Erie County Medical Center Corporation



Operating and Capital Budgets  
For the year ending 2024



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# Management Discussion and Analysis

September 30, 2023

The 2024 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 along with the impacts of ECMCC's efforts to stabilize the workforce. 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. In the short-term a renewed focus has been placed on retention of staff through investments in our people and steady growth through improved patient access.



# 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 2024 goal is to achieve improved 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 2024 operating budget reflects an operating loss of \$35 million, an improvement of over 57% from the projected 2023 operating results before grant support. 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 2023
- ✓ Maintain routine capital and equipment upgrades
- ✓ Maximize retention of staff, improve staffing efficiency and meet NYS minimum standards
- ✓ 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 2023. Further consideration was given to the changes internally related to recent trends in volume and activity, an improvement in the ability to discharge patients and ultimately reduced 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 recent growth in the 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 collective bargaining agreements, estimated benefit costs as adjusted for actuarially projected gains or losses, supply and other expense inflation rates as well as impacts of performance improvement initiatives. Management believes that the overall growth in expenses of approximately 3.7% 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. The reduction is the result of a reduction in available investments in 2023. Although ECMCC expects to continue to work closely with NYS on future funding needs both for the remainder of 2023 and 2024 as a participant in the Vital Access Provider Assurance grant program, Management has elected not to include any additional Federal or New York State operational support for planning purposes in the 2024 operating budget.



# Management Discussion and Analysis

## *Cash Flows*

2024 cash flow will remain a key focus of Management given the challenges. 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. In an effort to avoid reducing critical services the budget reflects losses which will result in a need for operational cash flow support from governmental agency partners including New York State.

## *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, community post-acute capacity, staffing and retention challenges, future governmental reimbursement and benefit cost fluctuation, Management acknowledges that it may have to adjust operationally during 2024.



# 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

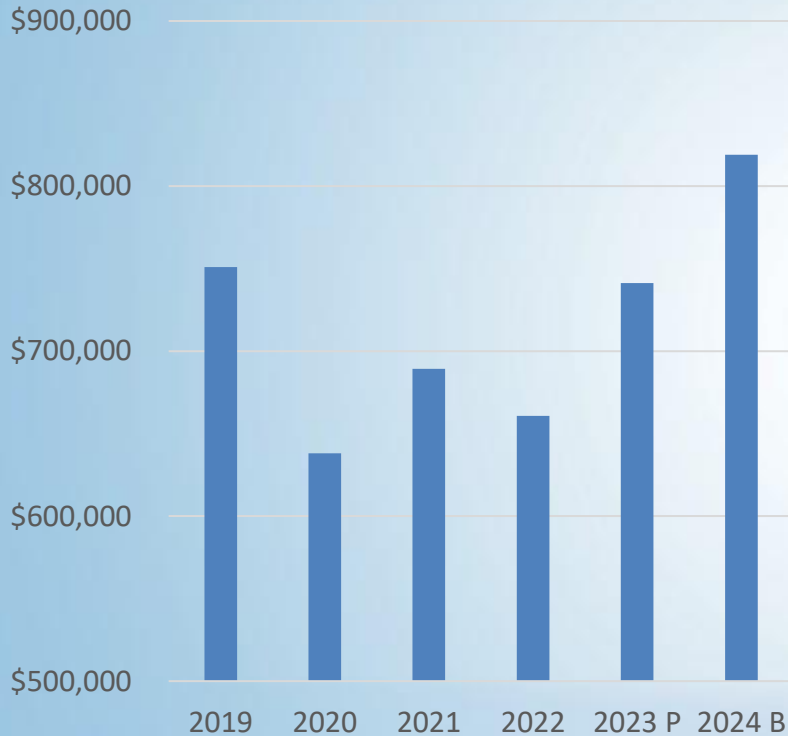


# Budget Process

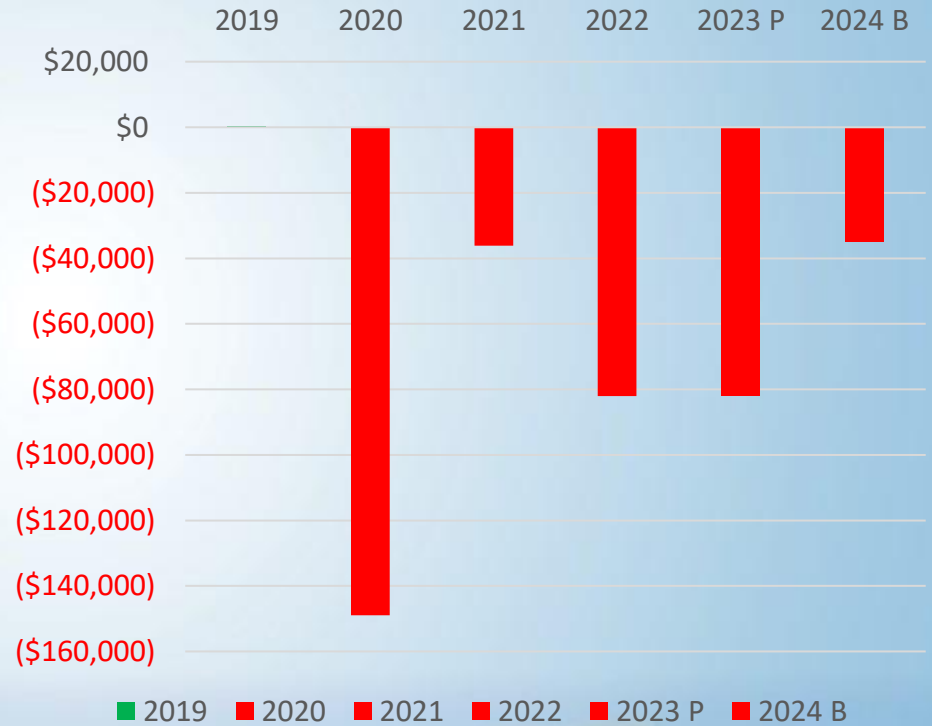
- Executive Leadership Team (ELT) adopt budget schedule and goals
- Using 2023 year-to-date performance and known or anticipated budget variances, a baseline budget and financial projections were prepared
- Department managers worked with ELT to develop departmental targets and performance improvement 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 exclude all investment gains, CARES/ARP/PPP/FEMA and NYS grants

# Key Financial Ratios

	<u>2021</u>	<u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Budget</u> <u>2024</u>
Operating Margin %	-10.60%	-12.42%	-11.07%	-4.27%
NYS PBC Average %	-9.40%	-8.00%		
Operating EBITDA %	-2.66%	-4.47%	-4.15%	1.45%
NYS PBC Average %	-3.20%	-2.20%		
FTE's	3,453	3,473	3,676	3,700
Days Operating Cash On Hand	47.8	24.6	29.0	13.4
NYS PBC Average	26.9	41.6		
Debt Service Coverage	1.1	1.5	(0.4)	0.3
NYS PBC Average	1.4	3.1		
Salaries, Wages & Benefits % of Revenue	63.60%	61.49%	73.77%	69.21%
Supply Expense % of Revenue	19.90%	20.81%	21.48%	20.23%
Benefit % of Salaries and Wages	31.20%	12.93%	30.88%	27.22%
Days In Accounts Receivable, net	49.5	53.9	63.0	59.1





## Statements of Revenues and Expenses (Thousands)

	<u>2022 Audited</u>	<u>2023 Projection</u>	<u>2024 Budget</u>	<u>Increase (Decrease)</u>	
Net Patient Revenue	\$ 566,389	\$ 583,869	\$ 645,857	\$ 61,988	10.6%
Disproportionate Share / IGT and UPL Payments	68,295	114,851	123,280	8,428	7.3%
Other Operating Revenues	<u>26,095</u>	<u>42,576</u>	<u>49,890</u>	<u>7,314</u>	<u>17.2%</u>
Total Operating Revenues	<u>660,779</u>	<u>741,297</u>	<u>819,027</u>	<u>77,730</u>	<u>10.5%</u>
Operating Expenses					
Salaries and Benefits	348,266	430,721	446,981	16,260	3.8%
Physician Fees and Professional Services	194,970	187,212	199,443	12,231	6.5%
Supplies	117,877	125,413	130,625	5,212	4.2%
Other Expenses	<u>81,728</u>	<u>80,009</u>	<u>76,982</u>	<u>(3,027)</u>	<u>-3.8%</u>
Total Operating Expenses	<u>742,841</u>	<u>823,355</u>	<u>854,032</u>	<u>30,677</u>	<u>3.7%</u>
Operating Income before grants	(82,062)	(82,058)	(35,005)	47,053	-57.3%
Grant revenue	<u>63,151</u>	<u>29,469</u>	<u>-</u>	<u>(29,469)</u>	<u>-100.0%</u>
Income/(Loss) from Operations with grants	(18,911)	(52,589)	(35,005)	17,584	-33.4%
Other Non-Operating Revenues	<u>(13,967)</u>	<u>4,814</u>	<u>1,205</u>	<u>(3,609)</u>	<u>-75.0%</u>
Excess of Revenues Over Expenses	<u>\$ (32,878)</u>	<u>\$ (47,776)</u>	<u>\$ (33,800)</u>	<u>\$ 13,975</u>	<u>-29.3%</u>

# Statements of Net Position

(Thousands)

	<u>2022 Audited</u>		<u>2023 Projection</u>		<u>2024 Budget</u>		<u>Increase (Decrease)</u>	
<b>Assets</b>								
<b>Current Assets</b>								
Cash and Investments	44,195	4.6%	62,284	6.4%	29,848	3.3%	(32,436)	-52.1%
Patient Accounts Receivable, Net	83,569	8.7%	100,777	10.4%	104,371	11.5%	3,594	3.6%
Other Current Assets	<u>85,197</u>	<u>8.9%</u>	<u>88,670</u>	<u>9.1%</u>	<u>90,555</u>	<u>10.0%</u>	<u>1,885</u>	<u>2.1%</u>
Total Current Assets	<u>212,961</u>	<u>22.1%</u>	<u>251,731</u>	<u>26.0%</u>	<u>224,774</u>	<u>24.8%</u>	<u>(26,957)</u>	<u>-10.7%</u>
Assets Whose Use Is Limited	157,515	16.4%	159,704	16.5%	159,951	17.6%	247	-0.4%
Property and Equipment, Net	328,170	34.1%	295,976	30.5%	266,876	29.4%	(29,099)	-9.8%
Other Assets	<u>263,731</u>	<u>27.4%</u>	<u>261,854</u>	<u>27.0%</u>	<u>254,780</u>	<u>28.1%</u>	<u>(7,074)</u>	<u>-2.7%</u>
Total Assets	<u>962,377</u>	<u>100.0%</u>	<u>969,265</u>	<u>100.0%</u>	<u>906,381</u>	<u>100.0%</u>	<u>(62,883)</u>	<u>-6.5%</u>
<b>Liabilities and Net Assets</b>								
<b>Current Liabilities</b>								
Current Portion of Long Term Debt	28,795	3.0%	28,586	2.9%	27,568	3.0%	(1,018)	-3.6%
Accounts Payable, Third-Party & Accrued	267,492	27.8%	344,776	35.6%	328,724	36.3%	(16,051)	-4.7%
Total Current Liabilities	<u>296,287</u>	<u>30.8%</u>	<u>373,362</u>	<u>38.5%</u>	<u>356,292</u>	<u>39.3%</u>	<u>(17,070)</u>	<u>-4.6%</u>
Long Term Debt	225,833	23.5%	218,783	22.6%	201,215	22.2%	(17,568)	-8.0%
Deferred Inflows	395,002	41.0%	396,144	40.9%	396,002	43.7%	(142)	0.0%
Other Post Employment Benefits	259,334	26.9%	250,051	25.8%	257,553	28.4%	7,502	3.0%
Self Insurance Liabilities	54,340	5.6%	47,118	4.9%	45,313	5.0%	(1,805)	-3.8%
Total Liabilities	<u>1,230,796</u>	<u>127.9%</u>	<u>1,285,459</u>	<u>132.6%</u>	<u>1,256,375</u>	<u>138.6%</u>	<u>(29,084)</u>	<u>-2.3%</u>
Net Position	<u>(268,419)</u>	<u>-27.9%</u>	<u>(316,194)</u>	<u>-32.6%</u>	<u>(349,994)</u>	<u>-38.6%</u>	<u>(33,800)</u>	<u>10.7%</u>
Total Liabilities and Net Assets	<u>962,377</u>	<u>100.0%</u>	<u>969,265</u>	<u>100.0%</u>	<u>906,381</u>	<u>100.0%</u>	<u>(62,884)</u>	<u>-6.5%</u>

# Statements of Cash Flow

## (Thousands)

	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Budget</u> <u>2024</u>	<u>Increase (Decrease)</u>	
					<u>%</u>
<b>Cash Flows From Operating Activities</b>					
Excess of Revenues Over Expenses	(32,878)	(47,776)	(33,800)	13,975	-29%
Depreciation & Amortization	41,615	40,195	37,100	(3,095)	-8%
Provision for Bad Debt	15,474	12,537	12,674	137	1%
Medicare Advanced Payment Program	(20,879)	-	-	-	N/A
(Increase) Decrease in Non-operating revenues	(38,256)	(23,188)	8,542	31,730	-137%
(Increase) Decrease in Patient Accounts Receivable, Net	(22,328)	(29,745)	(16,267)	13,478	-45%
(Increase) Decrease in Current and Other Assets	144,272	(1,596)	5,189	6,785	-425%
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	(105,832)	77,284	(16,051)	(93,335)	-121%
Increase (Decrease) in Deferred In-Flows	(69,022)	1,142	(142)	(1,284)	-112%
Increase (Decrease) in Self Insurance Liabilities	<u>1,322</u>	<u>(16,505)</u>	<u>5,696</u>	<u>22,201</u>	<u>-135%</u>
Net Cash Provided By (Used In) Operating Activities	<u>(86,512)</u>	<u>12,347</u>	<u>2,939</u>	<u>(9,408)</u>	<u>-76%</u>
<b>Cash Flows From Investing Activities</b>					
Other Investing Activities, Net	<u>10,192</u>	<u>2,625</u>	<u>959</u>	<u>(1,666)</u>	<u>-63%</u>
Net Cash Provided By (Used In) Investing Activities	<u>10,192</u>	<u>2,625</u>	<u>959</u>	<u>(1,666)</u>	<u>-63%</u>
<b>Cash Flows From Financing Activities</b>					
Additions to Property and Equipment	(26,856)	(8,000)	(8,000)	-	0%
Non-operating grants	90,152	29,469	-	(29,469)	-100%
Changes in Long Term Debt	<u>(12,245)</u>	<u>(18,353)</u>	<u>(28,333)</u>	<u>(9,980)</u>	<u>54%</u>
Net Cash Provided By (Used In) Financing Activities	<u>51,051</u>	<u>3,116</u>	<u>(36,333)</u>	<u>(39,449)</u>	<u>-1266%</u>
Net Increase (Decrease) in Cash and Investments	(25,269)	18,089	(32,435)	(50,524)	-279%
Cash and Investments, Beginning	<u>69,464</u>	<u>44,195</u>	<u>62,284</u>	<u>18,089</u>	<u>41%</u>
Cash and Investments, Ending	<u>44,195</u>	<u>62,284</u>	<u>29,849</u>	<u>(32,435)</u>	<u>-52%</u>

# Operating Performance Reconciliation

## (Thousands)

	<u>2023 Budget</u>	<u>2024 Budget</u>	<u>Increase / (Decrease)</u>
2023 Budgeted Income from Operations			(34,997)
Operating Revenues			
Net Patient Service Revenue	611,984	645,857	33,873
Disproportionate Share, IGT and UPL Revenue	116,351	123,280	6,929
Other Operating Revenue	<u>37,635</u>	<u>49,890</u>	<u>12,255</u>
Total Operating Revenues	<u>765,970</u>	<u>819,027</u>	<u>53,057</u>
Operating Expenses			
Salaries and Benefits	409,792	446,981	37,189
Physician Fees and Professional Services	182,590	199,443	16,853
Supplies	128,714	130,625	1,911
Other Expenses	36,271	30,136	(6,135)
Depreciation and Amortization	34,142	37,100	2,958
Interest	<u>9,458</u>	<u>9,747</u>	<u>289</u>
Total Operating Expenses	<u>800,967</u>	<u>854,032</u>	<u>53,065</u>
2024 Budgeted Loss from Operations	<u>(34,997)</u>	<u>(35,005)</u>	<u>(35,005)</u>



# Principal Budget Assumptions

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



# Volume Summary

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Increase (Decrease)</b>	
	<b>Actual</b>	<b>Projection</b>	<b>Budget</b>	<b>24 - 23</b>	<b>%</b>
<b>Discharges</b>					
Acute	12,266	12,249	12,534	285	2.3%
Other	<u>5,146</u>	<u>5,155</u>	<u>5,466</u>	<u>311</u>	6.0%
<b>Total</b>	<b><u>17,412</u></b>	<b><u>17,404</u></b>	<b><u>18,000</u></b>	<b><u>596</u></b>	<b><u>3.4%</u></b>
<b>Average Length of Stay</b>					
Acute	8.2	8.4	7.5	(0.9)	-10.9%
Other	<u>10.9</u>	<u>12.0</u>	<u>10.8</u>	<u>(1.2)</u>	<u>-10.1%</u>
<b>Total</b>	<b><u>9.5</u></b>	<b><u>10.2</u></b>	<b><u>8.5</u></b>	<b><u>(1.7)</u></b>	<b><u>-16.5%</u></b>
<b>Observation Cases</b>	2,342	2,808	3,008	200	7.1%
<b>Outpatient Visits</b>	274,530	297,426	306,613	9,187	3.1%
Clinics	138,044	152,206	159,124	6,918	4.5%
Behavioral Health	32,674	36,730	37,316	586	1.6%
Chemical Dependency	22,258	23,270	23,314	44	0.2%
Dialysis	24,962	25,258	26,269	1,011	4.0%
Other	56,592	59,962	60,590	628	1.0%
<b>Surgical Cases</b>					
Inpatient	5,145	5,343	5,598	255	4.8%
Outpatient	<u>7,334</u>	<u>7,723</u>	<u>7,865</u>	<u>142</u>	<u>1.8%</u>
<b>Total</b>	<b><u>12,479</u></b>	<b><u>13,066</u></b>	<b><u>13,463</u></b>	<b><u>397</u></b>	<b><u>3.0%</u></b>
<b>Case Mix Index - Acute</b>	<u>1.83</u>	<u>1.76</u>	<u>1.78</u>	<u>0.02</u>	<u>1.2%</u>
<b>Emergency Visits</b>	50,473	52,202	55,040	2,838	5.4%
<b>CPEP Visits</b>	9,606	9,812	10,239	427	4.4%
<b>Terrace View ADC</b>	345.5	364.3	378.1	13.7	3.8%

# Revenue

- Net average revenue rate increase of 8% (includes all payers)
  - Larger increase is driven by add-ons for Medicare Wage Index, Behavioral Health and other Medicaid rate increases and Essential Plan increases
- Acute – IP Discharges increase from 2023 levels
  - Growth in inpatient cases related to improved community skilled nursing facility access, average length of stay management, and the improving trends in 2023
- Outpatient volume slight increase from 2023 levels
  - Increases in clinic visits (Dialysis, primary care, transplant and rehab medicine)
- Terrace View average daily census increase to 378 residents
  - Staffing levels have increased and will allow for increased census.
- IGT – Year over year growth based upon estimated net changes in allowable costs net of increases in associated Medicaid 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 2023</u>	<u>Projected 2023</u>	<u>Budget 2024</u>
DSH	107,962	106,462	107,280
UPL	8,389	8,389	16,000
<b>Total</b>	<u>116,351</u>	<u>114,851</u>	<u>123,280</u>



# Expenses

- Salaries
  - Increase in overall FTE's to 3,700 (3,686 - @ 8/21/23)
    - Vacancy management
  - Reduced premium costs (OT and shift bonuses)
  - Contracted salary increases total an average of 4.0%
  - Non-Union wage increases total 3%
  - Implementation of other contracted enhancements (step changes, other shift pay changes)
- Benefits
  - Increased health insurance costs, workers compensation, unemployment related costs and pension expense
  - Decrease in post-retiree health benefit cost as a result of actuarial assumption impact estimates

# Expenses (cont'd)

- Physician & Residents
  - Notable increases
    - Contracted fee and certain rate increases
    - University faculty (GME) and resident salary inflation
    - New physicians – Neurosurgery, ED, Family Medicine, Oncology and Gastroenterology
  - Increase in GPPC total cost related to new physicians, physicians transitioned from ECMC, and expanded practice operations (volume and revenue also included)
- Contractual Fees/Purchased Services
  - Reduction in contractual fees associated with temporary agency nursing personnel, while maintaining desired staffing
    - Continued at Terrace View but with reduced contracted staffing

# Expenses (cont'd)

- Supplies
  - Increase in volume from projected 2023 volume levels including an increase in total 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 due to growth
  - Supply chain cost savings initiatives of \$2.5 million
- Depreciation and Interest
  - Decreased overall depreciation and interest costs
    - Expense based upon remaining depreciation on existing assets plus new capital anticipated.
    - Reduced non-project capital expenditures during 2020 - 2023.

# Cash Flow Assumptions

- Net change in cash of (\$32.4) Million without any 2024 NYS operating grants
  - Days operating cash on hand decreased to 13 days from projected 2023 (excludes designated funds)
- Days in accounts receivable improving to 59.3 days
- Days in accounts payable at 60 days
- Routine capital budget spend consistent with 2022 and 2023 at \$8.0 million
- Line of credit balance remains outstanding





# Performance Improvement Initiatives

- Length of stay improvements
- Revenue cycle improvements
- Vacancy management / premium time reduction
- Value analysis program growth reducing supply costs
- Reduction in certain purchased services
- Continued inpatient and outpatient growth strategies
- Continued infrastructure investment and accelerated growth in population health strategies
- Outpatient service line improvements (efficiency and focused growth)
- Insurance plan relationships, increased rates through contracting, MCR wage index, improved governance

# Emerging Issues and Risk Areas

- Timing of future DSH/IGT payments
- Operating performance improvements
  - Market driven length of stay risks
  - Recruitment and retention risks
  - FTE vacancy management risks
- Continued inflationary pressures on non-salary operating costs and pharmaceutical shortages
- Federal and NYS operational support uncertainty
- Federal and NYS reimbursement uncertainty
- Inpatient and outpatient volume sensitivity
  - Ambulatory surgery market
- Benefit expense and contribution changes
  - Pension and OPEB
- Medical malpractice regulatory environment
- Technology limitations - EHR

# 2024 Capital Budget Summary

Given stepped recovery, ECMCC must limit capital spending and remain consistent with 2023

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



# 5 Year Financial Projections

- Reimbursement rate increases adjusted to usual historical net rate increases, excluding one-time increases
- 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 2023 and 2024 to reflect more reasonable growth after 2024
- 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)

	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Budget</u> <u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Projected</u> <u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Operating Revenues</b>								
Net Patient Service Revenue	566,389	583,869	645,857	676,083	707,089	738,464	770,218	802,360
Disproportionate Share, IGT and UPL Revenue	68,295	114,851	123,280	123,280	123,280	123,280	123,280	123,280
Other Operating Revenue	<u>26,095</u>	<u>42,576</u>	<u>49,890</u>	<u>50,389</u>	<u>50,893</u>	<u>51,402</u>	<u>51,916</u>	<u>52,435</u>
Total Operating Revenues	<u>660,779</u>	<u>741,297</u>	<u>819,027</u>	<u>849,752</u>	<u>881,262</u>	<u>913,146</u>	<u>945,414</u>	<u>978,076</u>
<b>Operating Expenses</b>								
Salaries and Benefits	348,266	430,721	446,981	487,255	510,698	535,236	560,920	587,803
Physician Fees and Professional Services	194,970	187,212	199,443	203,432	207,501	211,651	215,884	220,201
Supplies	117,877	125,413	130,625	136,811	142,168	147,635	153,216	158,915
Other Expenses	29,185	28,720	30,136	31,972	33,919	35,984	38,176	40,501
Depreciation and Amortization	41,615	40,195	37,100	30,407	30,104	31,023	32,158	33,493
Interest	<u>10,928</u>	<u>11,095</u>	<u>9,747</u>	<u>8,315</u>	<u>7,717</u>	<u>7,166</u>	<u>6,480</u>	<u>5,744</u>
Total Operating Expenses	<u>742,841</u>	<u>823,355</u>	<u>854,032</u>	<u>898,192</u>	<u>932,106</u>	<u>968,695</u>	<u>1,006,834</u>	<u>1,046,656</u>
Operational Support / Performance Improvements	<u>(82,062)</u>	<u>(82,058)</u>	<u>(35,005)</u>	<u>(48,440)</u>	<u>(50,844)</u>	<u>(55,548)</u>	<u>(61,420)</u>	<u>(68,581)</u>
Income/(Loss) from Operations	<u>(82,062)</u>	<u>(82,058)</u>	<u>(35,005)</u>	<u>(17,500)</u>	<u>(10,000)</u>	<u>(5,000)</u>	<u>500</u>	<u>500</u>
Grant revenue	<u>63,151</u>	<u>29,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income/(Loss) from Operations with Grants	<u>(18,911)</u>	<u>(52,589)</u>	<u>(35,005)</u>	<u>(17,500)</u>	<u>(10,000)</u>	<u>(5,000)</u>	<u>500</u>	<u>500</u>
Non Operating Revenues & Capital Contributions	<u>(13,967)</u>	<u>4,814</u>	<u>1,205</u>	<u>1,205</u>	<u>1,205</u>	<u>1,205</u>	<u>1,205</u>	<u>1,205</u>
Excess of Revenues Over Expenses	<u>(32,878)</u>	<u>(47,776)</u>	<u>(33,800)</u>	<u>(16,295)</u>	<u>(8,795)</u>	<u>(3,795)</u>	<u>1,705</u>	<u>1,705</u>



# Statements of Financial Position – Projected

(Thousands)

	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Budget</u> <u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Projected</u> <u>2027</u>	<u>2028</u>	<u>2029</u>
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash & Investments	44,195	62,284	29,848	32,635	33,710	33,411	38,484	45,412
Patient Accounts Receivable	83,569	100,777	104,371	100,008	96,850	101,150	105,500	109,900
Other Current Assets	85,197	88,670	90,555	91,287	91,974	92,625	95,342	98,125
<b>Total Current Assets</b>	<u>212,961</u>	<u>251,731</u>	<u>224,774</u>	<u>223,931</u>	<u>222,534</u>	<u>227,186</u>	<u>239,326</u>	<u>253,437</u>
Assets Whose Use Is Limited	157,515	159,704	159,951	159,607	159,258	159,904	160,558	161,219
Property and Equipment	328,170	295,976	266,876	246,469	241,365	235,342	228,184	219,691
Other Assets	263,731	261,854	254,780	253,222	252,014	250,886	249,875	249,090
<b>Total Assets</b>	<u>962,377</u>	<u>969,264</u>	<u>906,381</u>	<u>883,229</u>	<u>875,171</u>	<u>873,318</u>	<u>877,942</u>	<u>883,437</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Current Liabilities</b>								
Current Portion of Long Term Debt	28,795	28,586	27,568	15,604	14,934	14,507	14,207	13,757
Accounts Payable, Third-Party & Accrued	267,492	344,776	328,724	337,734	343,869	350,258	356,906	363,822
<b>Total Current Liabilities</b>	<u>296,287</u>	<u>373,362</u>	<u>356,292</u>	<u>353,338</u>	<u>358,803</u>	<u>364,765</u>	<u>371,113</u>	<u>377,579</u>
Long Term Debt	225,833	218,783	201,215	185,611	170,677	156,170	141,963	128,206
Deferred Inflows	395,002	396,144	396,002	397,002	398,002	399,002	400,002	401,002
Other Post Employment Benefits	259,334	250,051	257,553	265,280	273,238	281,435	289,878	298,575
Self Insurance Reserves	54,340	47,118	45,313	48,288	49,535	50,826	52,162	53,545
<b>Total Liabilities</b>	<u>1,230,796</u>	<u>1,285,459</u>	<u>1,256,375</u>	<u>1,249,518</u>	<u>1,250,255</u>	<u>1,252,198</u>	<u>1,255,117</u>	<u>1,258,907</u>
<b>Net Position</b>	<u>(268,419)</u>	<u>(316,194)</u>	<u>(349,994)</u>	<u>(366,290)</u>	<u>(375,085)</u>	<u>(378,880)</u>	<u>(377,175)</u>	<u>(375,470)</u>
<b>Total Liabilities and Net Assets</b>	<u>962,377</u>	<u>969,264</u>	<u>906,381</u>	<u>883,228</u>	<u>875,170</u>	<u>873,318</u>	<u>877,942</u>	<u>883,436</u>

# Statements of Cash Flow - Projected

## (Thousands)

	<u>Audited</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Budget</u> <u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Projected</u> <u>2027</u>	<u>2028</u>	<u>2029</u>
<b>Cash Flows From Operating Activities</b>								
Excess of Revenues Over Expenses	(32,878)	(47,776)	(33,800)	(16,295)	(8,795)	(3,795)	1,705	1,705
Depreciation & Amortization	41,615	40,195	37,100	30,407	30,104	31,023	32,158	33,493
Provision for bad debt	15,474	12,537	12,674	13,206	13,236	13,266	13,297	13,328
Medicare Advanced Payment Program	(20,879)	-	-	-	-	-	-	-
(Increase) Decrease in Non-operating revenues	(38,256)	(23,188)	8,542	7,110	6,512	5,961	5,275	4,539
(Increase) Decrease in Patient Accounts Receivable, Net	(22,328)	(29,745)	(16,267)	(8,843)	(10,078)	(17,566)	(17,647)	(17,728)
(Increase) Decrease in Current and Other Assets	144,272	(1,596)	5,189	826	522	476	(1,706)	(1,998)
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	(105,832)	77,284	(16,051)	9,009	6,136	6,388	6,648	6,917
Increase (Decrease) in Deferred In Flows	(69,022)	1,142	(142)	1,000	1,000	1,000	1,000	1,000
Increase (Decrease) in Self Insurance Liabilities	<u>1,322</u>	<u>(16,505)</u>	<u>5,696</u>	<u>10,702</u>	<u>9,205</u>	<u>9,488</u>	<u>9,779</u>	<u>10,079</u>
Net Cash Provided By (Used In) Operating Activities	(86,512)	12,347	2,939	47,121	47,842	46,242	50,510	51,335
<b>Cash Flows From Investing Activities</b>								
Other Investing Activities, Net	<u>10,192</u>	<u>2,625</u>	<u>958</u>	<u>1,549</u>	<u>1,554</u>	<u>559</u>	<u>551</u>	<u>544</u>
Net Cash Provided By (Used In) Investing Activities	10,192	2,625	958	1,549	1,554	559	551	544
<b>Cash Flows From Financing Activities</b>								
Additions to Property and Equipment	(26,856)	(8,000)	(8,000)	(10,000)	(25,000)	(25,000)	(25,000)	(25,000)
Non-operating grants	90,152	29,469	-	-	-	-	-	-
Changes in Long Term Debt	<u>(12,245)</u>	<u>(18,353)</u>	<u>(28,333)</u>	<u>(35,883)</u>	<u>(23,321)</u>	<u>(22,100)</u>	<u>(20,987)</u>	<u>(19,951)</u>
Net Cash Provided By (Used In) Financing Activities	<u>51,051</u>	<u>3,116</u>	<u>(36,333)</u>	<u>(45,883)</u>	<u>(48,321)</u>	<u>(47,100)</u>	<u>(45,987)</u>	<u>(44,951)</u>
Net Increase (Decrease) in Cash and Investments	(25,269)	18,089	(32,436)	2,787	1,075	(299)	5,073	6,928
Cash and Investments, Beginning	<u>69,464</u>	<u>44,195</u>	<u>62,284</u>	<u>29,848</u>	<u>32,635</u>	<u>33,710</u>	<u>33,411</u>	<u>38,484</u>
Cash and Investments, Ending	<u>44,195</u>	<u>62,284</u>	<u>29,848</u>	<u>32,635</u>	<u>33,710</u>	<u>33,411</u>	<u>38,484</u>	<u>45,412</u>