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**El Camino Hospital District
Fiscal Year 2016 Budget**

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Basis of the El Camino Healthcare District FY 2016 Budget

- *The District budget is first shown in “stand-alone” format, including those transactions which occur at the District level.*
 - This presentation will cover the assumptions driving the District’s budget and will provide information on District–level revenues and expenditures.
 - The budget for El Camino Hospital and its affiliates was reviewed at the hospital’s joint finance committee meeting and special board meeting on May 26th. Those meetings were both noticed on the hospital’s website and were open to the public. Additional information on the budget for El Camino Hospital and its affiliates is available on the hospital’s website (www.elcaminohospital.org).
- *The District budget is also shown in consolidated format in this presentation as it is the District’s responsibility to approve the consolidated budget.*



Major Assumptions

Information excludes El Camino Hospital & its affiliates

- Other Operating Revenue is based on the existing ground lease agreement.
- Operating Expenses are based on historical information with adjustments made for non-recurring events.
- Purchased Services in Fiscal Year 2016 include continued digital website development, direct mailing production, print ads, and the cost of the District's administration of its community benefit programs.
- IGT – Medi-Cal program expense is not budgeted in Fiscal Year 2016, due to early remittance of the current year's IGT in May 2015.
- Depreciation is based on assets currently in service, as there is no new capital spending expected at the District level in Fiscal Year 2016.
- Tax receipts are budgeted based on the current year's experience plus a 3.7% increase.
- Expenses related to the G.O. bonds are based on history and required payment schedules.
- Community Benefit expenditures are based on the Community Benefit plan.
- Investment income is based on the expected short-term rate of return for those funds.



El Camino Healthcare District

Information excludes El Camino Hospital & its affiliates

(In 000s)

	2014	Estimated 2015	Budget 2016	Fav (Unfav) Amount	% Change
REVENUES					
Other Operating Revenue	85	86	89	3	3.0%
Total Net Revenue	85	86	89	3	3.0%
EXPENSES					
Salaries & Benefits	0	0	0	0	N/A
IGT Medi-Cal Program	2,391	6,759	0	6,759	-100.0%
Community Benefit Support	248	296	312	(16)	-5.2%
Supplies & Other Expenses	92	306	509	(203)	-39.8%
Depreciation/Amortization	250	250	250	0	0.0%
TOTAL EXPENSES	2,981	7,612	1,071	6,540	610.5%
OPERATING INCOME	(2,895)	(7,525)	(982)	(6,538)	666.1%
Non Operating Income					
Unrestricted M&O Taxes	6,953	7,019	7,104	(84)	1.2%
Restricted M&O Taxes	3,642	4,928	5,050	(122)	2.5%
Taxes Levied for Debt Service	8,558	8,579	9,200	(621)	7.2%
G.O. Bond Interest Expense (net)	(4,673)	(4,604)	(4,523)	(81)	-1.8%
Investment Income	370	(207)	105	(312)	-150.8%
Community Benefit Programs	(5,673)	(6,570)	(6,227)	(343)	-5.2%
Other	0	30	28	1	-4.9%
TOTAL NON-OPERATING EXPENSES	9,178	9,175	10,736	(1,562)	17.0%
NET INCOME	6,282	1,649	9,754	(8,099)	491.4%
Operating EBIDA	(2,645)	(7,275)	(732)	(6,538)	-89.9%
Operating Margin Percentage	-3397.4%	-8707.4%	-1103.7%		



El Camino Healthcare District

Statement of Fund Balance Activity for Budget 2016

Information excludes El Camino Hospital & its affiliates

(In 000s)

UNRESTRICTED FUND ACTIVITY BALANCE

Projected Opening Balance at 7/1/2015	\$35,892
Budgeted Net Income for FY2016	9,754
Transfer to ECH for Capital Outlay projects (BHS/IMOB)	(8,745)

PROJECTED ENDING BALANCE @ 6/30/2016	\$36,901
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El Camino Healthcare District - CONSOLIDATED

(In 000s)

	Standalone	El Camino Hospital	El Camino Hospital Affiliates	Budget 2016
REVENUES				
Inpatient Revenue	\$0	\$1,598,563	\$0	\$1,598,563
Outpatient Revenue	0	1,114,876	0	1,114,876
Gross Patient Service Revenue	0	2,713,439	0	2,713,439
Deductions from Revenue		1,969,685	0	1,969,685
Other Operating Revenue	89	21,864	15,574	37,527
Total Net Revenue	89	765,618	15,574	781,282
EXPENSES				
Salaries & Benefits	0	432,010	7,982	439,992
Supplies & Other Expenses	821	231,534	9,631	241,986
Interest	0	5,378	0	5,378
Depreciation/Amortization	250	46,558	58	46,866
TOTAL EXPENSES	1,071	715,481	17,671	734,223
OPERATING INCOME	(982)	50,138	(2,097)	47,059
Non Operating Income	10,736	22,323	5,164	38,223
NET INCOME	9,754	72,461	3,067	85,282
<i>Operating EBIDA</i>	<i>(732)</i>	102,074	<i>(2,039)</i>	99,303
<i>Operating Margin Percentage</i>	<i>-1103.7%</i>	6.5%	<i>-13.5%</i>	6.0%



El Camino Healthcare District - CONSOLIDATED

(In 000s)

	2014	Estimated 2015	Budget 2016	Fav (Unfav) Amount	% Change
REVENUES					
Inpatient Revenue	1,453,021	1,512,055	1,598,563	86,509	5.7%
Outpatient Revenue	1,051,494	1,049,910	1,114,876	64,966	6.2%
Gross Patient Service Revenue	2,504,515	2,561,965	2,713,439	151,475	5.9%
Deductions from Revenue	1,785,028	1,827,841	1,969,685	(141,845)	7.8%
Other Operating Revenue	30,814	34,245	37,527	9,630	9.6%
Total Net Revenue	750,301	768,369	781,281	12,912	1.7%
EXPENSES					
Salaries & Benefits	400,285	416,233	439,992	(23,759)	-5.4%
Supplies & Other Expenses	229,409	243,608	241,986	1,621	0.7%
Interest	7,403	7,214	5,378	1,836	34.1%
Depreciation/Amortization	48,001	44,977	46,866	(1,889)	-4.0%
TOTAL EXPENSES	685,098	712,032	734,222	(22,191)	-3.0%
OPERATING INCOME	65,204	56,338	47,059	(9,279)	19.7%
Non Operating Income	64,466	39,490	38,222	(1,268)	-3.2%
NET INCOME	129,669	95,827	85,281	(10,546)	-11.0%
<i>Operating EBIDA</i>	120,607	108,529	99,303	(9,226)	-8.5%
<i>Operating Margin Percentage</i>	8.7%	7.3%	6.0%		



El Camino Healthcare District Consolidated Capital Budget

Note: There are no plans to expend capital at the District level in Fiscal Year 2016. All capital spending is budgeted to occur at El Camino Hospital and its affiliates



El Camino Hospital
Capital Commitments vs. Capital Expenditures

	Budgeted Commitment	<i>Amount expenditures/estimated to be spent</i>						
		2012	2013	2014	2015	2016	2017	2018
2012 Capital Budget								
Equipment	14,433	11,785						
Info technology	10,345	6,679						
Facilities*	22,360	11,068	4,288	2,232	533			
Total	47,138	29,532						
2013 Capital Budget								
Equipment	11,157		9,752					
Info technology	10,007		7,752					
Facilities*	49,339		6,046	4,833	20,610			
Total	70,503		27,838					
2014 Capital Budget								
Equipment	11,500			10,542				
Info technology	11,100			3,619				
Facilities*	24,700			4,837	4,154			
EPIC	77,700			6,838	25,746	30,358		
Unbudgeted land	22,737			22,373				
Total	147,737							
2015 Capital Budget								
Equipment	13,710				11,420			
Info technology	10,520				4,778			
Facilities*	41,190			1,522	6,510			
Total	65,420			56,795	73,751			
2016 Capital Budget								
Equipment	12,664					12,664		
Info technology	6,905					6,905		
Facilities*	324,855					70,449	122,165	188,750
Total	344,424					120,376		



FY2016 Facilities Project Detail

(In 000s)

	Budgeted Commitment	Budgeted Spend
Mountain View Campus Master Plan Projects		
BHS Replacement	\$53,500	\$4,500
North Dr Parking Structure Expansion	\$14,000 *	\$14,500
Integrated Medical Office Building	\$229,000	\$10,000
CUP Upgrades	\$500	\$500
Womens Hosp Expansion	\$2,000	\$1,500
	\$299,000	\$31,000
Mountain View Capital Projects		
Womens Hosp NPC Closeout	\$750	\$500
IMOB Preparation Project - Old Main	\$2,250	\$2,250
Cabling and Wireless upgrades	\$2,800	\$2,800
Histology Fume Hood Upgrades	\$500	\$500
ED Remodel Triage / Psych Observation	\$300	\$100
Signage & Wayfinding	\$600	\$600
MV Equipment & Infrastructure Upgrades	\$750	\$750
Breast Imaging Tomography	\$300	\$300
Willow Pavilion FA Sys and Equip Upgrades	\$800	\$800
Ceiling Lifts - Imaging Dept.	\$200	\$200
Misc. Reconfiguration Upgrades	\$600	\$600
MV MOB TI Allowance	\$500	\$500
Facilities Planning Allowance	\$1,000	\$1,000
	\$11,350	\$10,900
Los Gatos Capital Projects		
LG Spine Room Expansion - OR 4	0 *	\$4,100
LG Rehab HVAC Upgrades	0 *	\$3,400
LG Imaging Phase II (CT & Gen Rad)	\$4,650 *	\$4,800
LG Upgrades - Major	\$2,500 *	\$9,500
LG Electrical Systems Upgrade	\$1,000	\$1,000
LG Rehab Building Upgrades	\$500	\$500
LG Surgical Lights OR's 5,6 & 7	\$0 *	\$149
LG Central Sterile Upgrades	\$3,455 *	\$3,600
LG MOB Improvements	\$500	\$150
LG IR Upgrades	\$800	\$600
LG NICU 4 Bed Expansion	\$500	\$150
LG Misc. Reconfiguration Upgrades	\$600	\$600
	\$14,505	\$28,549
Grand Total Facilities Projects	\$324,855	\$70,449

* Spending includes prior year commitments

