



April 5, 2019

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in an open Board of Directors meeting at 10:30AM on Monday April 8, 2019 in the Kaweah Delta Medical Center Blue Room {Mineral King Wing – 400 West Mineral King Avenue}.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Delta Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

The disclosable public records related to agendas are available for public inspection at the Kaweah Delta Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA and on the Kaweah Delta Health Care District web page <http://www.kaweahdelta.org>.

KAWEAH DELTA HEALTH CARE DISTRICT
Nevin House, Secretary/Treasurer

A handwritten signature in black ink that reads 'Cindy Moccio'.

Cindy Moccio - Board Clerk / Executive Assistant to CEO

DISTRIBUTION:
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Legal Counsel
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Chief of Staff

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KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING

Kaweah Delta Medical Center - Mineral King Wing
{Blue Room - Basement}

400 West Mineral King Avenue, Visalia

www.KaweahDelta.org

Monday, April 8, 2019

OPEN MEETING AGENDA {10:30AM}

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the subject matter jurisdictions of the Board are requested to identify themselves at this time.
4. **KAWEAH DELTA MASTER FACILITIES PLANNING** – Facility planning assessment; Kaweah Delta, RBB Architects, Inc., and KPMG – *Panos Lykidis, Managing Director, KPMG Advisory Services; Kevin Boots, AIA, LEED AP, Senior Vice President, Director of Production, RBB Architects, Inc.; Julieta Moncada, Kaweah Delta Director of Facilities and Planning*
5. **FINANCIALS** – Review of the most current fiscal year 2019 financial results.
Malinda Tupper, VP & Chief Financial Officer
6. **CHIEF EXECUTIVE OFFICER REPORT** – *Gary Herbst, CEO*
7. **ADJOURN**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.



Kaweah Delta, RBB, and KPMG Facility Planning Assessment

Final Report for Review

4.4.2019



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Engagement Purpose / Background

Our engagement has three primary considerations that combine to support a facility planning process that takes into account broad healthcare industry trends, overall facility planning service area (“FPSA”) factors, and specific Kaweah Delta Healthcare District (“KD” or “the System”) initiatives. These considerations combine to result in scenarios that estimate the need for facility based assets, such as beds and operating rooms.



Healthcare Industry Trends: Take into account overall healthcare industry trends by service line to arrive at reasonable estimates for use rate changes during parts of the projection period



FPSA Factors: Assess the future impact of facility planning service area demographic, socio-economic, and competitive changes to healthcare demand for services in the inpatient setting



Kaweah Delta Initiatives: Evaluate the potential impact of planned service line level growth plans on the volume served at KD and the resultant capacity needs

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Summary Outputs

Impact by Scenario | Market share assumptions were interlaced with length of stay sensitivity estimates to arrive at three scenarios of bed need for KD in FY-38

Bed Need Impact by Scenario

(all scenarios shown)

FY-38 Bed Needs (Deficit) / Surplus	Baseline	Reduce LOS half-way to Geometric Mean Length of Stay in 5 Years	Geometric Mean Length of Stay in 3 Years
Med / Surg	(64)	(19)	44
ICU	(7)	(3)	2
CVICU	7	8	10
Step-down	(46)	(36)	(23)
Post-partum	(4)	(4)	(4)
NICU	(11)	(11)	(11)
Main campus	(125)	(65)	18
Rehab	2	11	21
Psych	12	24	37
SNF	(21)	(21)	(21)
Total	(132)	(51)	55

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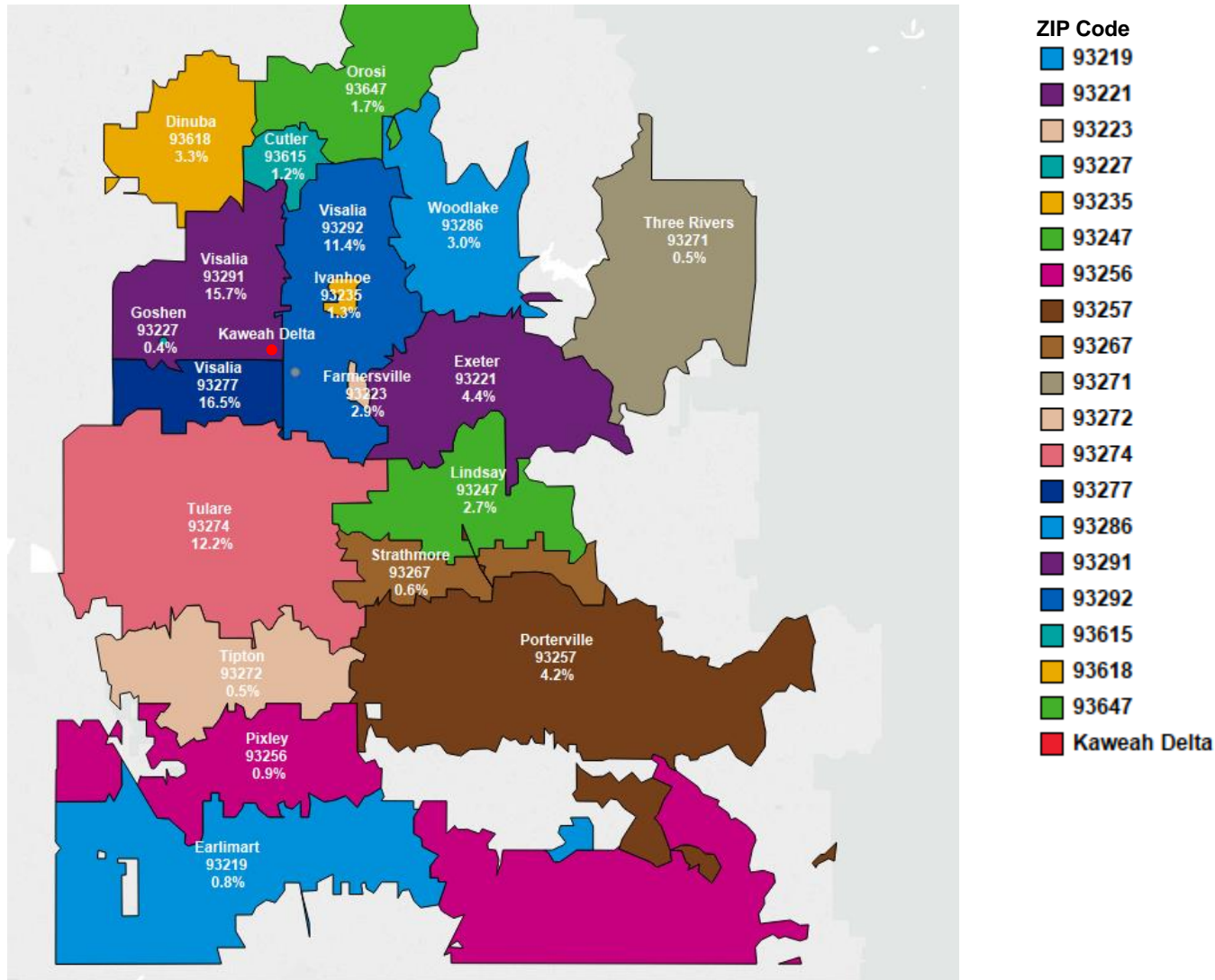
FPSA Definition | Market share depth shows comprehensive role served by KD

ZIP Code	City	FPSA	Previous Service Designation	County	Discharges	Percent of Total	Cumulative Percent	Market Share %
93277	Visalia	FPSA	PSA	Tulare	4,352	16.5%	16.5%	83.6%
93291	Visalia	FPSA	PSA	Tulare	4,160	15.7%	32.2%	84.7%
93274	Tulare	FPSA	SSA	Tulare	3,233	12.2%	44.4%	50.0%
93292	Visalia	FPSA	PSA	Tulare	3,005	11.4%	55.8%	82.2%
93221	Exeter	FPSA	PSA	Tulare	1,154	4.4%	60.1%	83.0%
93257	Porterville	FPSA	SSA	Tulare	1,109	4.2%	64.3%	17.7%
93618	Dinuba	FPSA	SSA	Tulare	882	3.3%	67.7%	36.3%
93286	Woodlake	FPSA	PSA	Tulare	798	3.0%	70.7%	87.8%
93223	Farmersville	FPSA	PSA	Tulare	780	2.9%	73.6%	86.2%
93247	Lindsay	FPSA	SSA	Tulare	712	2.7%	76.3%	48.7%
93647	Orosi	FPSA	PSA	Tulare	461	1.7%	78.1%	65.8%
93235	Ivanhoe	FPSA	PSA	Tulare	340	1.3%	79.4%	84.8%
93615	Cutler	FPSA	PSA	Tulare	312	1.2%	80.5%	70.9%
93256	Pxley	FPSA	SSA	Tulare	246	0.9%	81.5%	52.4%
93219	Earlimart	FPSA	Other	Tulare	202	0.8%	82.2%	29.6%
93267	Strathmore	FPSA	SSA	Tulare	163	0.6%	82.9%	26.8%
93271	Three Rivers	FPSA	PSA	Tulare	145	0.5%	83.4%	73.9%
93272	Tipton	FPSA	SSA	Tulare	130	0.5%	83.9%	53.4%
93227	Goshen	FPSA	PSA	Tulare	98	0.4%	84.3%	85.1%
FPSA total	n/a	n/a	n/a	n/a	22,282	84.3%	84.3%	59.4%

Key Takeaways

- The FPSA is defined as the 19 ZIP Codes from which KD draws the majority of their inpatient volume (84.3% in FY-17)
- The ZIP Codes were selected based on the market share penetration that KD has in each, demonstrating the role that the System serves as the primary provider of healthcare services to the populations within each ZIP Code
 - Of the 19 ZIP Codes, KD has over 80% market share in 8 of them, and over 50% market share in 14 of them
 - All 19 ZIP Codes are in Tulare county, further reinforcing the core market served by KD for inpatient services

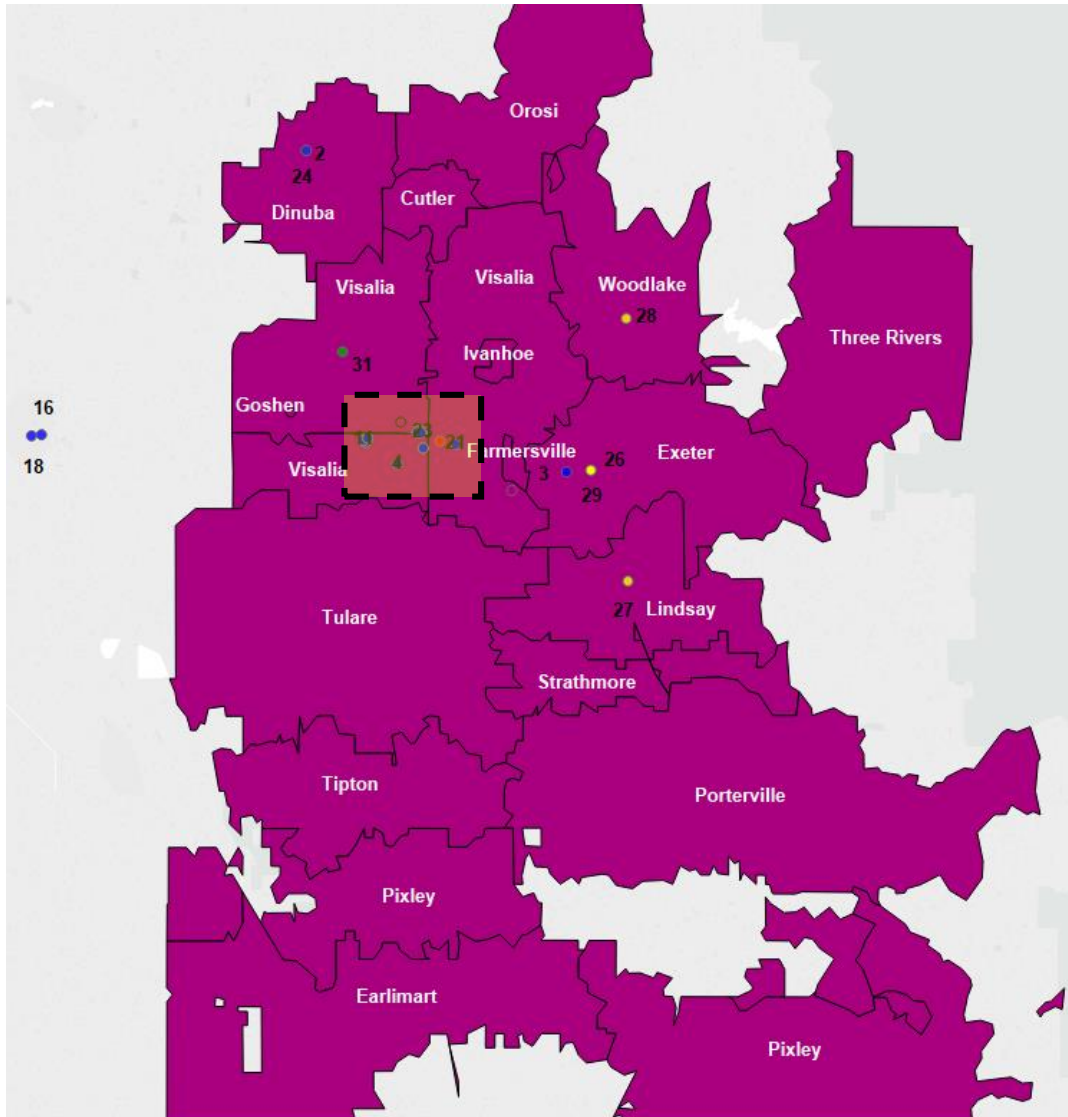
FPSA Definition Map| KD's deep draw reaches all corners of Tulare County



Sources: FPSA OSHPD data provided by Client

Note: Percentages listed by ZIP Code represent proportion of Kaweah Delta inpatient volume in FY-17

Kaweah Delta Health District Facility Locations by Facility Type (1/2)



Facility type

- Kaweah Delta primary locations
- Health clinic
- Sequoia prompt care
- Urgent care
- FPSA area
- Detailed location information is available in the following slide

Facility key

- 2 Dinuba Therapy Specialists
- 3 Exeter Therapy Specialists
- 16 Sequoia Regional Cancer Center Medical Oncology (Hanford)
- 18 Sequoia Regional Cancer Center Radiation Oncology (Hanford)
- 24 Kaweah Delta Dinuba Health Clinic
- 26 Kaweah Delta Exeter Health Clinic
- 27 Kaweah Delta Lindsay Health Clinic
- 28 Kaweah Delta Woodlake Health Clinic
- 29 Kaweah Delta Exeter Pediatric Specialty Clinic
- 31 Kaweah Delta Urgent Care (Flagstaff)

Sources: (1) FPSA OSHPD data provided by Client; (2) Facility location information from Client's website

Kaweah Delta Health District Facility Locations by Facility Type (2/2)



- Facility type**
- Kaweah Delta primary locations
 - Health clinic
 - Sequoia prompt care
 - Urgent care
 - FPSA area
- Facility key**
- 1 Kaweah Delta Health Care District
 - 4 Hand Therapy Specialists
 - 5 Kaweah Delta Breast Center
 - 6 Kaweah Delta Hospice
 - 7 Kaweah Delta Imaging Center
 - 8 Kaweah Delta Mental Health Hospital
 - 9 Kaweah Delta Non-Invasive Cardiovascular Diagnostics
 - 10 Kaweah Delta Outpatient Diabetes Center
 - 11 Kaweah Delta Rehabilitation Hospital
 - 12 Kaweah Delta Sleep Disorders Center
 - 13 Kaweah Delta Sub Acute
 - 14 Kaweah Delta Transitional Care
 - 15 Kaweah Delta Visalia Dialysis
 - 17 Sequoia Regional Cancer Center Medical Oncology (Visalia)
 - 19 Sequoia Regional Cancer Center Radiation Oncology (Visalia)
 - 20 Therapy Specialists (Akers)
 - 21 Therapy Specialists (Love lane)
 - 22 Kaweah Delta Sequoia Cardiology Clinic
 - 23 Kaweah Delta Neurosciences Center
 - 25 Kaweah Delta Family Medicine Center
 - 30 Kaweah Delta Urgent Care (S. Court)
 - 32 Sequoia Prompt Care

Sources: (1) FPSA OSHPD data provided by Client; (2) Facility location information from Client's website

FY-15 to FY-38 FPSA Population Projections | Faster population growth directly impacts KD’s role as primary healthcare provider for these communities

FPSA Population Projection by Age Cohort								
Age Cohorts	FY-18	% of total	FY-28	% of total	FY-38	% of total	FY-18 to FY-38 Change	FY-18 to FY-38 CAGR
Total population								
0-17	139,313	31.3%	147,428	29.6%	156,015	28.0%	12.0%	0.6%
18+	306,465	68.7%	350,901	70.4%	401,779	72.0%	31.1%	1.4%
Total	445,778	100%	498,328	100%	557,794	100%	25.1%	1.1%
0-1	8,195	1.8%	8,672	1.7%	9,177	1.6%	12.0%	0.6%
45+	141,494	31.7%	164,539	33.0%	191,337	34.3%	35.2%	1.5%
65+	48,158	10.8%	69,073	13.9%	99,071	17.8%	105.7%	3.7%
Women (14 - 44)	92,441	20.7%	103,468	20.8%	115,809	20.8%	25.3%	1.1%

California Population Projection by Age Cohort								
Age Cohorts	FY-18	% of total	FY-28	% of total	FY-38	% of total	FY-18 to FY-38 Change	FY-18 to FY-38 CAGR
Total population								
0-17	9,133,620	23.1%	9,213,307	22.0%	9,293,689	20.9%	1.8%	0.1%
18+	30,356,118	76.9%	32,686,324	78.0%	35,195,402	79.1%	15.9%	0.7%
Total	39,489,738	100%	41,899,631	100%	44,489,091	100%	12.7%	0.6%
0-1	537,272	1.4%	541,959	1.3%	546,688	1.2%	1.8%	0.1%
45+	15,321,949	38.8%	17,059,352	40.7%	18,993,765	42.7%	24.0%	1.1%
65+	5,385,933	13.6%	7,329,004	17.5%	9,973,073	22.4%	85.2%	3.1%
Women (14 - 44)	8,111,646	20.5%	8,369,859	20.0%	8,636,291	19.4%	6.5%	0.3%

Key Takeaways

- The FPSA total population is projected to grow by 25.1% over the projection period, with a CAGR of 1.1% which is almost double that of the state overall
- The 65+ age cohort is growing at over 3 times the overall population, which will directly impact inpatient bed need as this cohort is traditionally the highest utilizer of inpatient healthcare services
- Women 14-44 are estimated to grow in-line with the overall population, which combined with Tulare County having the 5th highest fertility rates in the state (25% higher than the overall fertility rate in California) indicates that obstetric volume will continue to grow over the projection period.
- While the 65+ population will increase significantly as a percent of total over the projection period (from 10.8% to 17.8%), it will still be lower than the state, due to the FPSA population being younger than the state average.

Sources: Experian US – Most Recent Vintage



Market Dynamics and Trends | Increased responsibility for the communities KD serves as most local competitors lose ground

Overall FPSA Market Share Trend				
Hospitals	FY-15	FY-16	FY-17	MS% change FY-15 vs FY-17 ¹
Kaweah Delta Medical Center	52.5%	54.7%	56.2%	3.7%
Sierra View District Hospital	13.6%	13.2%	12.4%	(1.3%)
Tulare District Hospital	9.1%	8.2%	6.9%	(2.2%)
Community Regional Medical Center-Fresno	4.0%	4.4%	5.6%	1.5%
Children's Hospital Central California	4.5%	4.4%	4.3%	(0.2%)
Adventist Medical Center (Hanford)	1.9%	1.8%	1.7%	(0.2%)
St. Agnes Medical Center	1.4%	1.3%	1.3%	(0.1%)
Sierra Kings District Hospital	1.4%	1.4%	1.3%	(0.1%)
Top 8 Hospitals	88.5%	89.5%	89.7%	1.2%
Other (331) ²	11.5%	10.5%	10.3%	(1.2%)
Total	100%	100%	100%	n/a

Key Takeaways

- KD Overall market share has grown by 3.7% from FY-15 to FY-17, further demonstrating the important role served by the System in the FPSA
- Of the top 8 facilities that serve the FPSA, KD has exponentially larger overall market share, and more than double the market share growth of its nearest competitor over the review period
- Only one other facility grew their market share from FY-15 to FY-17 (CRMC by 1.5%), which although small overall does represent a 40.7% growth from their FY-15 draw from the FPSA.
- The remaining 6 facilities were either flat (less that 0.5% decrease) or had significant decreases from their FY-15 FPSA market share.

Sources: FPSA OSHPD data provided by Client

Note: (1) MS% change FY-15 vs FY-17 is rounded up to 1st decimal points; (2) 331 hospital facilities are included in Other (3) Excludes Normal Newborns (DRG 795)



Market Share Trends by Service Lines (1/3) | Market leader in most service lines

FY-15 FPSA Market Share by Service Line										
	Total	Kaweah Delta Medical Center	Sierra View District Hospital	Tulare District Hospital	Children's Hospital Central California	Community Regional Medical Center- Fresno	Adventist Medical Center (Hanford)	Sierra Kings District Hospital	St. Agnes Medical Center	Other (249) ¹
Service Line ²	Discharges	Market Share								
Cardiology	3,626	66.5%	12.5%	8.7%	1.0%	1.8%	1.4%	0.3%	0.9%	6.8%
Dentistry	31	22.6%	16.1%	3.2%	16.1%	16.1%	-	-	3.2%	22.6%
Dermatology	657	52.1%	15.7%	14.3%	6.7%	1.5%	2.9%	1.2%	0.2%	5.5%
Endocrine	1,185	49.1%	23.4%	9.0%	8.3%	1.3%	2.4%	0.9%	0.6%	5.0%
Gastroenterology	2,963	45.0%	15.7%	16.6%	4.5%	1.6%	3.3%	0.6%	0.8%	11.8%
General medicine	3,079	66.7%	7.6%	6.8%	3.7%	3.5%	1.1%	0.7%	0.8%	9.2%
General surgery	2,849	40.9%	11.4%	8.1%	6.3%	3.1%	3.5%	0.1%	1.6%	25.0%
Gynecology	573	38.6%	15.4%	8.6%	1.7%	10.1%	5.6%	1.7%	2.1%	16.2%
Hematology	360	40.3%	23.3%	15.3%	8.9%	0.8%	2.8%	1.4%	-	7.2%
Hiv	36	69.4%	5.6%	8.3%	-	8.3%	-	-	-	8.3%
Neonatology	2,442	57.2%	13.3%	10.2%	5.2%	5.4%	0.0%	2.9%	2.1%	3.6%
Nephrology	1,300	48.2%	21.9%	13.2%	4.7%	0.6%	2.2%	1.4%	0.8%	7.0%
Neurology	1,692	50.1%	12.4%	3.4%	8.3%	11.5%	1.4%	0.6%	0.2%	12.2%
Neurosurgery	299	10.4%	0.3%	-	12.0%	36.8%	-	-	0.3%	40.1%
Ob/delivery	6,993	56.9%	18.6%	12.5%	-	2.0%	0.0%	4.8%	1.6%	3.5%
Oncology medical	577	43.0%	8.7%	5.2%	14.6%	4.7%	0.9%	0.2%	1.4%	21.5%
Open heart	317	56.5%	-	-	6.0%	5.0%	-	-	6.3%	26.2%
Ophthalmology	29	27.6%	17.2%	-	20.7%	10.3%	6.9%	-	-	17.2%
Orthopedics	3,258	37.2%	7.4%	3.3%	6.4%	7.6%	6.2%	0.0%	4.3%	27.7%
Other	3	-	-	-	100.0%	-	-	-	-	-
Other ob	645	50.2%	14.6%	13.6%	-	11.9%	0.5%	2.0%	2.3%	4.8%
Otolaryngology	279	25.1%	9.0%	3.6%	31.2%	5.4%	2.2%	0.4%	0.4%	22.9%
Psych/drug abuse	1,466	74.9%	1.8%	0.6%	0.3%	1.4%	0.2%	0.1%	0.1%	20.5%
Pulmonary	3,374	52.5%	19.6%	11.1%	8.7%	1.1%	1.4%	0.8%	0.2%	4.5%
Rheumatology	69	56.5%	5.8%	2.9%	5.8%	10.1%	5.8%	1.4%	-	11.6%
Thoracic surgery	232	33.6%	6.9%	3.9%	6.9%	12.5%	3.4%	-	2.6%	30.2%
Trauma	204	37.3%	2.5%	2.0%	3.9%	47.1%	-	-	-	7.4%
Urology	531	33.1%	11.5%	7.0%	5.3%	1.9%	3.8%	0.2%	2.6%	34.7%
Vascular surgery	348	70.4%	6.0%	1.7%	1.1%	1.7%	1.1%	-	3.2%	14.7%
Total	39,417	52.5%	13.6%	9.1%	4.5%	4.0%	1.9%	1.4%	1.4%	11.5%

Key Takeaways

- KD leads the market in 26 of 29 service lines, with only Neurosurgery, ENT and Trauma having another market leader in the FPSA. The three service lines with non-KD market leaders are low volume ones which combined account for less than 2% of the inpatient volume generated by the FPSA.
- The three facilities that are located within the FPSA accounted for 75.3% of the total inpatient volume, demonstrating that the majority of inpatient needs of FPSA residents are being covered by local providers.

Sources: FPSA OSHPD data provided by Client

Notes: (1) 249 hospital facilities are included in Other; (2) Excludes Normal Newborns (DRG 795)



Market Share Trends by Service Lines (2/3) | Gains made in most service lines by KD from FY-15 to FY-17

FY-17 FPSA Market Share by Service Line										
	Total	Kaweah Delta Medical Center	Sierra View District Hospital	Tulare District Hospital	Community Regional Medical Center-Fresno	Children's Hospital Central California	Adventist Medical Center (Hanford)	St. Agnes Medical Center	Sierra Kings District Hospital	Other (250) ¹
Service Line ²	Discharges	Market Share								
Cardiology	3,891	67.1%	12.2%	7.9%	2.6%	0.8%	0.9%	0.8%	0.4%	7.3%
Dentistry	34	26.5%	2.9%	5.9%	32.4%	26.5%	-	-	-	5.9%
Dermatology	633	55.1%	12.5%	14.4%	3.2%	6.5%	2.2%	0.3%	0.6%	5.2%
Endocrine	1,182	62.9%	15.1%	8.3%	1.7%	5.1%	2.5%	0.2%	1.0%	3.3%
Gastroenterology	3,018	54.0%	12.2%	12.4%	2.8%	5.3%	2.2%	0.6%	0.5%	9.9%
General medicine	2,798	61.4%	12.9%	7.2%	3.1%	3.6%	1.0%	0.7%	0.6%	9.4%
General surgery	2,908	40.0%	8.1%	7.2%	13.2%	6.2%	4.0%	2.4%	0.0%	18.9%
Gynecology	508	34.3%	15.2%	10.4%	13.8%	1.6%	6.7%	1.2%	2.4%	14.6%
Hematology	335	46.9%	11.0%	13.7%	3.0%	16.1%	0.3%	0.3%	0.6%	8.1%
Hiv	31	54.8%	12.9%	6.5%	16.1%	-	-	-	3.2%	6.5%
Neonatology	2,588	61.1%	16.3%	5.3%	5.5%	4.4%	0.4%	1.6%	2.7%	2.7%
Nephrology	1,353	55.7%	19.0%	10.6%	1.6%	4.1%	0.9%	0.2%	0.7%	7.2%
Neurology	1,901	61.7%	8.4%	2.7%	10.6%	6.3%	0.6%	0.3%	0.5%	9.0%
Neurosurgery	307	14.0%	0.3%	-	39.7%	13.7%	-	0.3%	-	31.9%
Ob/delivery	6,701	61.9%	19.0%	7.2%	2.2%	-	0.8%	1.2%	4.7%	3.0%
Oncology medical	706	40.4%	4.7%	4.5%	7.2%	19.5%	-	1.4%	-	22.2%
Open heart	333	54.1%	-	-	17.4%	5.7%	0.3%	3.6%	-	18.9%
Ophthalmology	32	25.0%	3.1%	3.1%	15.6%	25.0%	-	3.1%	-	25.0%
Orthopedics	3,691	49.2%	5.8%	2.2%	6.9%	4.6%	4.8%	4.3%	0.1%	22.1%
Other	7	-	-	28.6%	-	14.3%	28.6%	-	14.3%	14.3%
Other ob	530	55.1%	9.2%	6.6%	17.5%	-	1.3%	3.6%	2.5%	4.2%
Otolaryngology	286	30.4%	5.2%	1.7%	11.2%	31.1%	1.0%	-	0.3%	18.9%
Psych/drug abuse	1,527	74.6%	1.6%	1.0%	2.0%	0.3%	0.1%	0.1%	-	20.2%
Pulmonary	3,320	53.1%	18.6%	10.8%	2.4%	8.7%	1.1%	0.5%	0.6%	4.2%
Rheumatology	60	50.0%	10.0%	10.0%	5.0%	5.0%	10.0%	-	-	10.0%
Thoracic surgery	243	35.4%	5.8%	1.6%	25.1%	3.3%	2.5%	2.1%	-	24.3%
Trauma	257	55.3%	3.5%	1.9%	33.1%	2.3%	-	-	-	3.9%
Urology	500	31.2%	5.2%	3.4%	2.8%	4.4%	2.0%	3.2%	0.4%	47.4%
Vascular surgery	354	72.6%	3.4%	2.3%	7.6%	0.8%	0.8%	1.4%	-	11.0%
Total	40,034	56.2%	12.4%	6.9%	5.6%	4.3%	1.7%	1.3%	1.3%	10.3%

Key Takeaways

- In FY-17 KD still leads 26 of the 29 service lines in FPSA market share. In the three service lines with a different market share leader, KD grew in market share between FY-15 and FY-17.
- The overall FPSA inpatient volume grew by 1.6% over the review period, and the same proportion was served by facilities within the FPSA.

Sources: FPSA OSHPD data provided by Client

Note: (1) 250 hospital facilities are included in Other; (2) Excludes Normal Newborns (DRG 795)



Market Share Trends by Service Lines (3/3) | CRMC making small in-roads in key service lines

Change in FPSA Market Share by Service Line from FY-15 to FY-17											
Service Line ²	Total		Kaweah Delta Medical Center	Sierra View District Hospital	Tulare District Hospital	Community Regional Medical Center-Fresno	Children's Hospital Central California	Adventist Medical Center (Hanford)	St. Agnes Medical Center	Sierra Kings District Hospital	Other
	Discharges	Discharge Growth ¹	Market Share								
Cardiology	265	7.3%	0.6%	(0.3%)	(0.8%)	0.8%	(0.3%)	(0.5%)	(0.1%)	0.1%	0.5%
Dentistry	3	9.7%	3.9%	(13.2%)	2.7%	16.2%	10.3%	-	(3.2%)	-	(16.7%)
Dermatology	(24)	(3.7%)	3.1%	(3.2%)	0.1%	1.6%	(0.2%)	(0.7%)	0.2%	(0.6%)	(0.3%)
Endocrine	(3)	(0.3%)	13.8%	(8.3%)	(0.7%)	0.4%	(3.2%)	0.0%	(0.4%)	0.1%	(1.7%)
Gastroenterology	55	1.9%	9.1%	(3.6%)	(4.2%)	1.2%	0.7%	(1.1%)	(0.2%)	(0.1%)	(1.9%)
General medicine	(281)	(9.1%)	(5.3%)	5.4%	0.4%	(0.3%)	(0.0%)	(0.0%)	(0.1%)	(0.1%)	0.2%
General surgery	59	2.1%	(0.9%)	(3.3%)	(1.0%)	10.1%	(0.1%)	0.4%	0.8%	(0.0%)	(6.1%)
Gynecology	(65)	(11.3%)	(4.3%)	(0.2%)	(0.2%)	3.7%	(0.2%)	1.1%	(0.9%)	0.6%	(1.7%)
Hematology	(25)	(6.9%)	6.6%	(12.3%)	(1.5%)	2.2%	7.2%	(2.5%)	0.3%	(0.8%)	0.8%
Hiv	(5)	(13.9%)	(14.6%)	7.3%	(1.9%)	7.8%	-	-	-	3.2%	(1.9%)
Neonatology	146	6.0%	3.9%	3.0%	(4.9%)	0.0%	(0.8%)	0.4%	(0.5%)	(0.2%)	(0.9%)
Nephrology	53	4.1%	7.4%	(2.9%)	(2.6%)	0.9%	(0.6%)	(1.3%)	(0.6%)	(0.6%)	0.2%
Neurology	209	12.4%	11.5%	(4.0%)	(0.6%)	(0.9%)	(2.0%)	(0.7%)	0.0%	(0.1%)	(3.2%)
Neurosurgery	8	2.7%	3.6%	(0.0%)	-	3.0%	1.6%	-	(0.0%)	-	(8.2%)
Ob/delivery	(292)	(4.2%)	5.0%	0.3%	(5.3%)	0.2%	-	0.8%	(0.4%)	(0.1%)	(0.5%)
Oncology medical	129	22.4%	(2.6%)	(4.0%)	(0.7%)	2.5%	5.0%	(0.9%)	0.0%	(0.2%)	0.7%
Open heart	16	5.0%	(2.4%)	-	-	12.4%	(0.3%)	0.3%	(2.7%)	-	(7.3%)
Ophthalmology	3	10.3%	(2.6%)	(14.1%)	3.1%	5.3%	4.3%	(6.9%)	3.1%	-	7.8%
Orthopedics	433	13.3%	11.9%	(1.6%)	(1.0%)	(0.7%)	(1.7%)	(1.4%)	(0.0%)	0.1%	(5.6%)
Other	4	133.3%	-	-	28.6%	-	(85.7%)	28.6%	-	14.3%	14.3%
Other ob	(115)	(17.8%)	4.9%	(5.3%)	(7.0%)	5.6%	-	0.9%	1.3%	0.4%	(0.7%)
Otolaryngology	7	2.5%	5.3%	(3.7%)	(1.8%)	5.8%	(0.1%)	(1.1%)	(0.4%)	(0.0%)	(4.1%)
Psych/drug abuse	61	4.2%	(0.3%)	(0.2%)	0.4%	0.5%	(0.0%)	(0.1%)	0.1%	(0.1%)	(0.3%)
Pulmonary	(54)	(1.6%)	0.7%	(1.0%)	(0.3%)	1.3%	(0.0%)	(0.4%)	0.2%	(0.2%)	(0.3%)
Rheumatology	(9)	(13.0%)	(6.5%)	4.2%	7.1%	(5.1%)	(0.8%)	4.2%	-	(1.4%)	(1.6%)
Thoracic surgery	11	4.7%	1.8%	(1.1%)	(2.2%)	12.6%	(3.6%)	(1.0%)	(0.5%)	-	(5.9%)
Trauma	53	26.0%	18.0%	1.1%	(0.0%)	(14.0%)	(1.6%)	-	-	-	(3.5%)
Urology	(31)	(5.8%)	(1.9%)	(6.3%)	(3.6%)	0.9%	(0.9%)	(1.8%)	0.6%	0.2%	12.7%
Vascular surgery	6	1.7%	2.2%	(2.6%)	0.5%	5.9%	(0.3%)	(0.3%)	(1.7%)	-	(3.6%)
Total	617	1.6%	3.7%	(1.3%)	(2.2%)	1.5%	(0.2%)	(0.2%)	(0.1%)	(0.1%)	(1.2%)

Key Takeaways

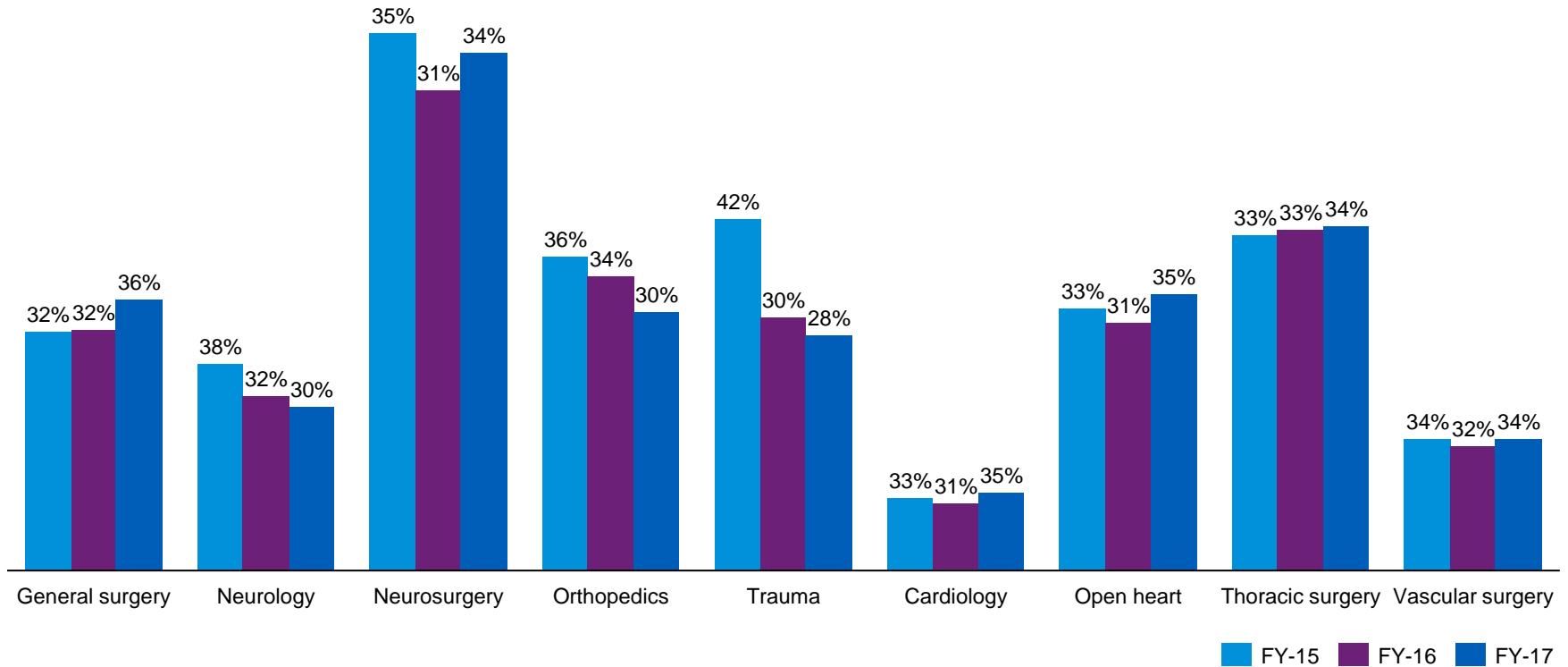
- KD and CRMC were the only facilities that significantly grew their market share over the review period (by 3.7% and 1.5% respectively). CRMC grew their penetration of the FPSA primarily through surgical program draw (General Surgery, Open Heart, Thoracic, and Vascular Surgery).
- The decline in volume leaving the FPSA for care is positive evidence of KD's ability to demonstrate that more services can be sought locally, which can be as much about perception as it can be due to capacity and access.

Sources: FPSA OSHPD data provided by Client

Note: (1) Discharge growth is calculated as (FY-17 discharges – FY-15 discharges) / FY-15 discharges; (2) Excludes Normal Newborns (DRG 795)



FPSA Out-migration Trends for Selected Service Lines



Key Takeaways

- Significant opportunity remains to reduce out-migration in service lines in which KD has a broad complement of physicians and sub-specialty depth
- There hasn't been significant change in the proportion of cases out-migrating from the FPSA over the review period, and while some have stayed flat or demonstrated marginal increases, the larger movement has been in service lines where the out-migration ratio has decreased
- A deeper analysis is being conducted to understand the medical conditions of patients leaving for care outside of the FPSA
 - Trauma could be for Level II and Level I needs expansion of a small number of sub-specialties
 - General surgery volume leaving could be for bariatrics which is not currently offered locally

Sources: FPSA OSHPD data provided by Client



FY-15 FPSA Market Share by Payor | Historical market leader in all payor categories

FY-15 FPSA Market Share by Payor						
Facilities	Medi-Cal FFS	Medi-Cal Managed Care	Medicare FFS	Medicare Managed Care	Commercial	Other - Gov., worker's comp, etc
FP SA facilities						
Kaw eah Delta Medical Center	46.2%	50.6%	56.0%	71.2%	54.4%	25.1%
Sierra View District Hospital	13.9%	18.2%	15.4%	5.1%	8.1%	5.2%
Tulare District Hospital	9.3%	12.5%	9.0%	9.5%	5.5%	4.8%
FP SA facilities	69.5%	81.3%	80.3%	85.7%	68.0%	35.1%
Non-FP SA facilities						
Community Regional Medical Center-Fresno	3.4%	3.3%	3.3%	3.0%	3.9%	24.3%
Children's Hospital Central California	15.2%	4.1%	0.0%	0.0%	4.5%	0.8%
Adventist Medical Center (Hanford)	1.0%	2.2%	2.1%	0.8%	1.6%	4.8%
St. Agnes Medical Center	1.3%	0.9%	1.7%	1.1%	1.6%	2.3%
Sierra Kings District Hospital	2.3%	2.6%	0.5%	0.3%	1.0%	1.2%
Non-FP SA facilities	23.1%	13.1%	7.7%	5.2%	12.7%	33.3%
Top 8 Hospitals	92.5%	94.5%	88.0%	90.9%	80.7%	68.4%
Other (249)	7.5%	5.5%	12.0%	9.1%	19.3%	31.6%
Total	100%	100%	100%	100%	100%	100%
Total discharges	6,442	10,095	11,869	1,623	8,341	1,047
% of total volume	16.3%	25.6%	30.1%	4.1%	21.2%	2.7%

Key Takeaways

- KD is the market leader in all payor categories, with over 50% of the market in the 3 largest payor categories, that account for over 75% of FPSA inpatient volume (Medi-Cal Managed Care, Medicare FFS, and Commercial)
- Excluding Children's Hospital of Central California, the main competitors outside of the FPSA have a fairly uniform footprint in the FPSA across all payor groupings.

Sources: FPSA OSHPD data provided by Client



FY-17 FPSA Market Share by Payor | Shift from FFS to Managed Care faster in Medi-Cal than Medicare

FY-17 FPSA Market Share by Payor						
Facilities	Medi-Cal FFS	Medi-Cal Managed Care	Medicare FFS	Medicare Managed Care	Commercial	Other - Gov., worker's comp, etc
FPSA facilities						
Kaw eah Delta Medical Center	48.0%	55.0%	60.2%	71.2%	57.0%	29.8%
Sierra View District Hospital	12.9%	15.7%	13.7%	5.0%	7.9%	4.6%
Tulare District Hospital	4.1%	9.8%	7.5%	8.7%	4.0%	3.1%
FPSA facilities	65.1%	80.5%	81.4%	85.0%	68.8%	37.4%
Non-FPSA facilities						
Community Regional Medical Center-Fresno	4.9%	4.9%	4.7%	3.8%	6.4%	25.6%
Children's Hospital Central California	17.4%	3.5%	0.0%	0.0%	4.7%	1.0%
Adventist Medical Center (Hanford)	1.2%	2.2%	1.5%	1.4%	1.3%	3.8%
St. Agnes Medical Center	0.6%	1.1%	1.4%	1.1%	1.9%	2.3%
Sierra Kings District Hospital	2.0%	2.4%	0.4%	0.1%	0.9%	0.6%
Non-FPSA facilities	26.1%	14.1%	8.0%	6.4%	15.3%	33.2%
Top 8 Hospitals	91.2%	94.6%	89.4%	91.4%	84.1%	70.7%
Other (250)	8.8%	5.4%	10.6%	8.6%	15.9%	29.3%
Total	100%	100%	100%	100%	100%	100%
Total discharges	5,269	11,527	12,097	1,775	8,490	876
% of total volume	13.2%	28.8%	30.2%	4.4%	21.2%	2.2%

Key Takeaways

- The distribution of FPSA volume by payor category is largely unchanged over the review period, with the sole notable shift occurring between Medi-Cal FFS and Medi-Cal Managed Care
- KD maintained or grew their market position across all payor categories, while Tulare and Sierra View lost ground on all of them.
- The core non-FPSA based competitors increased their draw across all payor categories except Other, driven off of across the board growth by CRMC, and increased penetration of the Medi-Cal FFS space by Children's Hospital of Central California

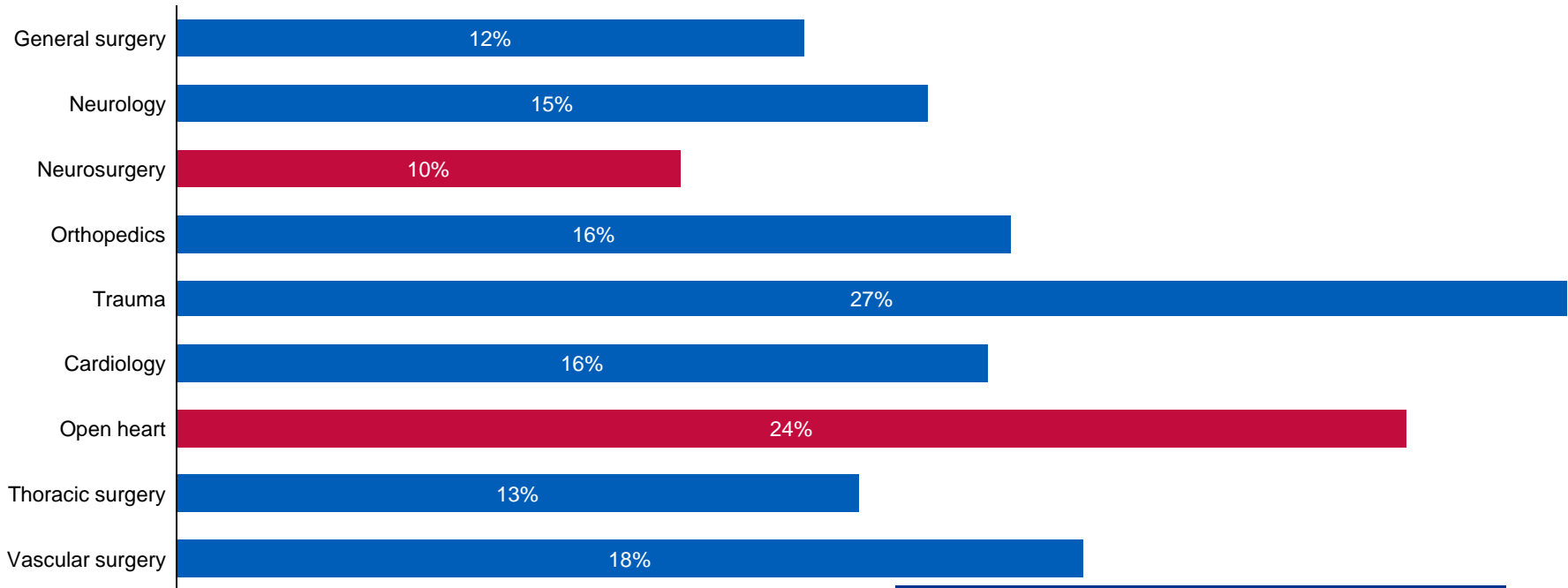
FY-15 to FY-17 FPSA Market Share Change by Payor | Although matched by KD, out-migration growth has been more pronounced for Commercial patients

FY-15 to FY-17 FPSA Market Share Change by Payor						
Facilities	Medi-Cal FFS	Medi-Cal Managed Care	Medicare FFS	Medicare Managed Care	Commercial	Other - Gov., worker's comp, etc
FPSA facilities						
Kaw eah Delta Medical Center	1.8%	4.4%	4.2%	0.1%	2.5%	4.7%
Sierra View District Hospital	-1.0%	-2.5%	-1.6%	0.0%	-0.3%	-0.6%
Tulare District Hospital	-5.2%	-2.7%	-1.5%	-0.8%	-1.5%	-1.7%
FPSA facilities	-4.4%	-0.8%	1.0%	-0.7%	0.8%	2.4%
Non-FPSA facilities						
Community Regional Medical Center-Fresno	1.5%	1.6%	1.3%	0.8%	2.5%	1.3%
Children's Hospital Central California	2.2%	-0.6%	0.0%	0.0%	0.2%	0.3%
Adventist Medical Center (Hanford)	0.2%	0.0%	-0.6%	0.6%	-0.3%	-1.0%
St. Agnes Medical Center	-0.7%	0.2%	-0.3%	0.0%	0.3%	0.0%
Non-FPSA facilities	3.0%	1.0%	0.3%	1.2%	2.6%	-0.1%
Top 8 Hospitals	-1.3%	0.2%	1.3%	0.4%	3.4%	2.3%
Other (250)	1.3%	-0.2%	-1.3%	-0.4%	-3.4%	-2.3%
Total	n/a	n/a	n/a	n/a	n/a	n/a
Total discharges	(1,173)	1,432	228	152	149	(171)
% of total volume	-3.2%	3.2%	0.1%	0.3%	0.0%	-0.5%

Sources: FPSA OSHPD data provided by Client



FY-17 Kaweah Delta In-migration Percentages by Selected Service Lines | In-migration trends further demonstrate growth in key service lines



Key Takeaways

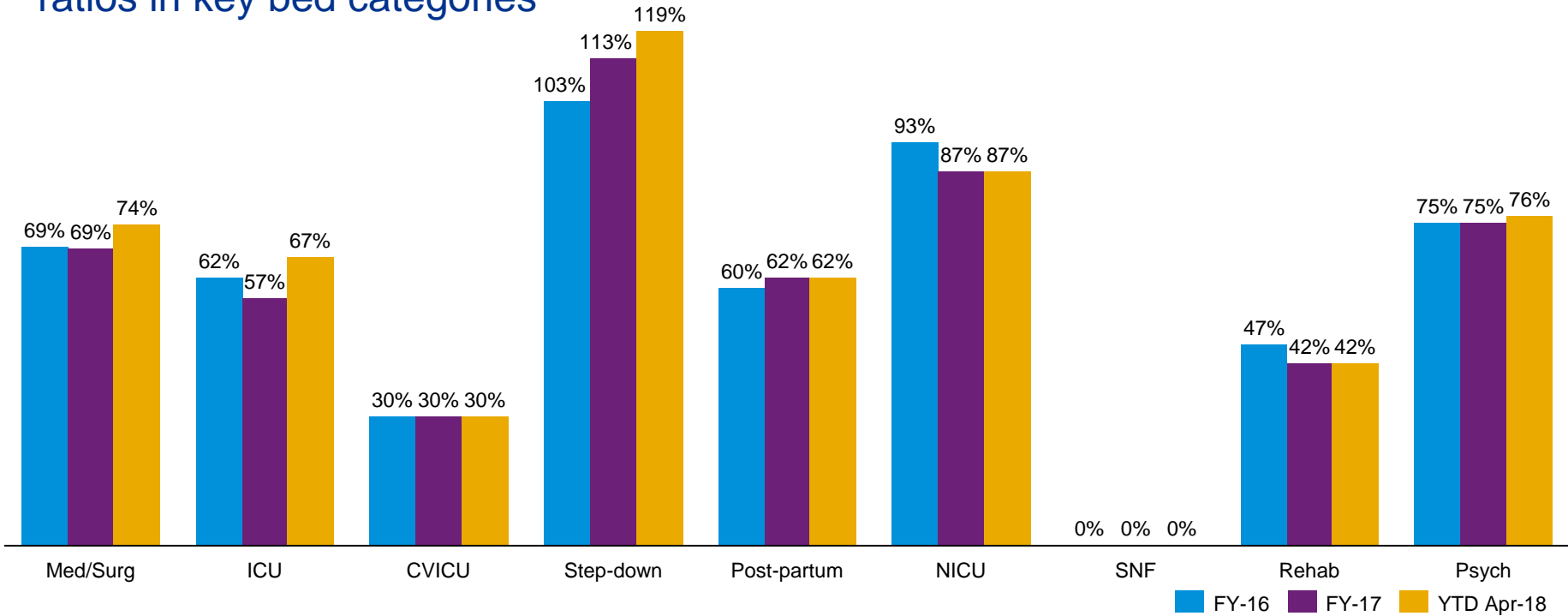
- KD's in-migration percentages have grown for most key service lines, while the FPSA has generated more volume, and KD increased their market share draw from the FPSA
- This clearly shows that growth in these programs has not been due to a single factor, but rather it indicates that it could be a broader expansion of the role of the System and a result of the investments being made to deepen their services
- The services which experienced decreased in-migration (Neurosurgery and Open Heart) are both expected to benefit from recent recruitment and/or affiliations with outside institutions (USC and Cleveland Clinic)

Service line	In-migration metrics					
	% of Non FPSA discharges			Non FPSA discharges		
	FY-15	FY-16	FY-17	FY-15	FY-16	FY-17
General surgery	10.4%	11.5%	12.2%	135	162	159
Neurology	8.9%	13.7%	14.6%	82	156	196
Neurosurgery	17.1%	14.1%	9.8%	6	10	5
Orthopedics	13.7%	14.1%	16.2%	191	228	305
Trauma	23.2%	25.0%	27.0%	23	41	53
Cardiology	13.9%	15.7%	15.8%	392	470	490
Open heart	28.8%	27.1%	23.9%	70	74	54
Thoracic surgery	10.2%	11.1%	13.3%	9	10	13
Vascular surgery	15.6%	21.9%	17.6%	45	72	55

Sources: FPSA OSHPD data provided by Client



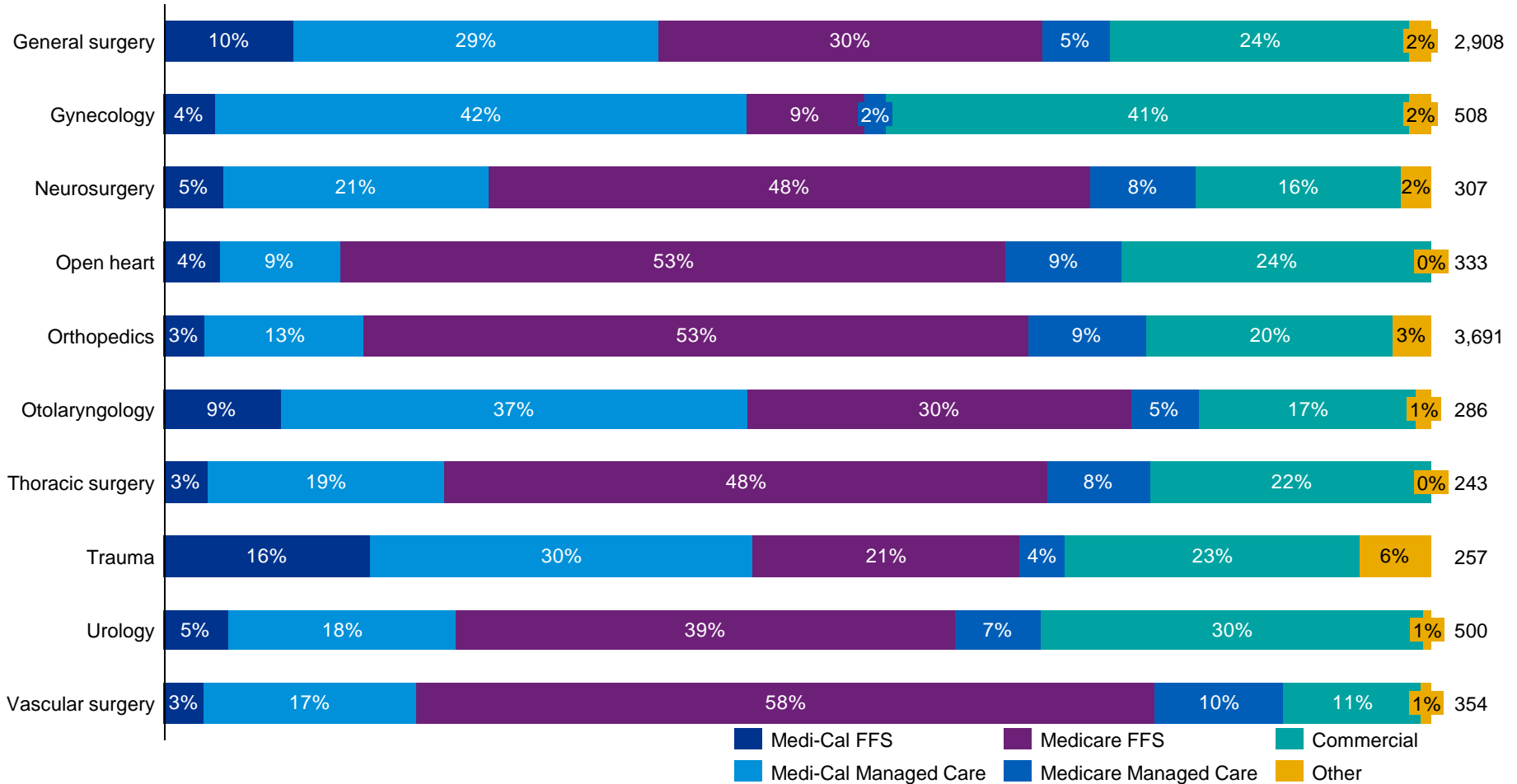
Kawah Delta Occupancy Trends | Occupancy rates near or above optimal ratios in key bed categories



Key Takeaways

- Acute bed occupancy has increased across most bed types over the review period driven by increased utilization in most services, but most pronounced in surgical sites of care
 - The occupancy rates of the step-down units are further evidence of the growth in surgical services
 - There is the perception that some of the utilization in these units is precautionary and defensive

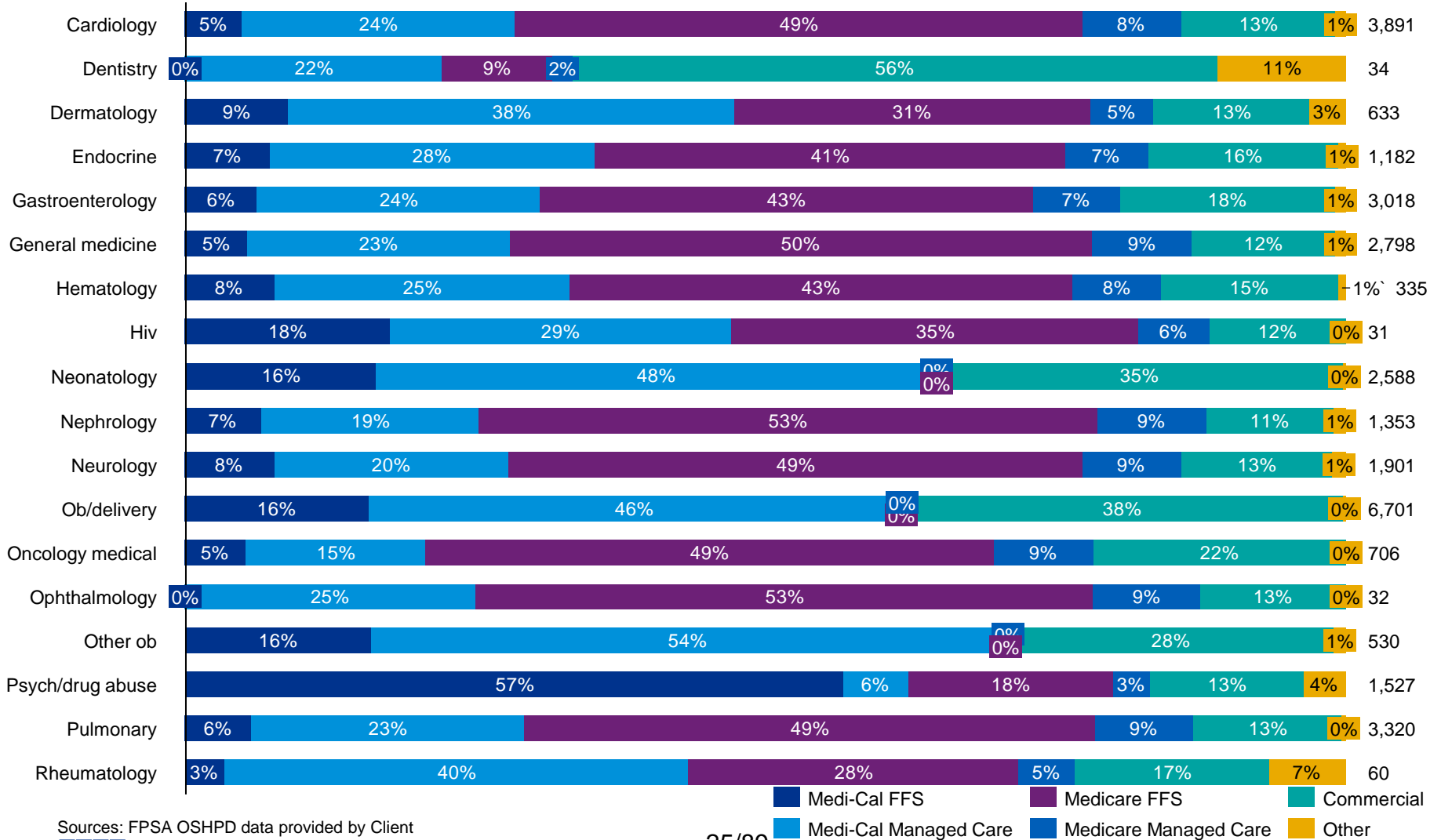
FY-17 Kaweah Delta Surgical FPSA Discharges by Payor Type | Commercial payers represent a larger proportion of surgical services, creating a strong foundation for reducing out-migration



Sources: FPSA OSHPD data provided by Client



FY-17 Kaweah Delta Non-Surgical FPSA Discharges by Payor Type | Clear reliance on governmental payers (74% of total) for services which accounted for 82% of KD's volume from the FPSA

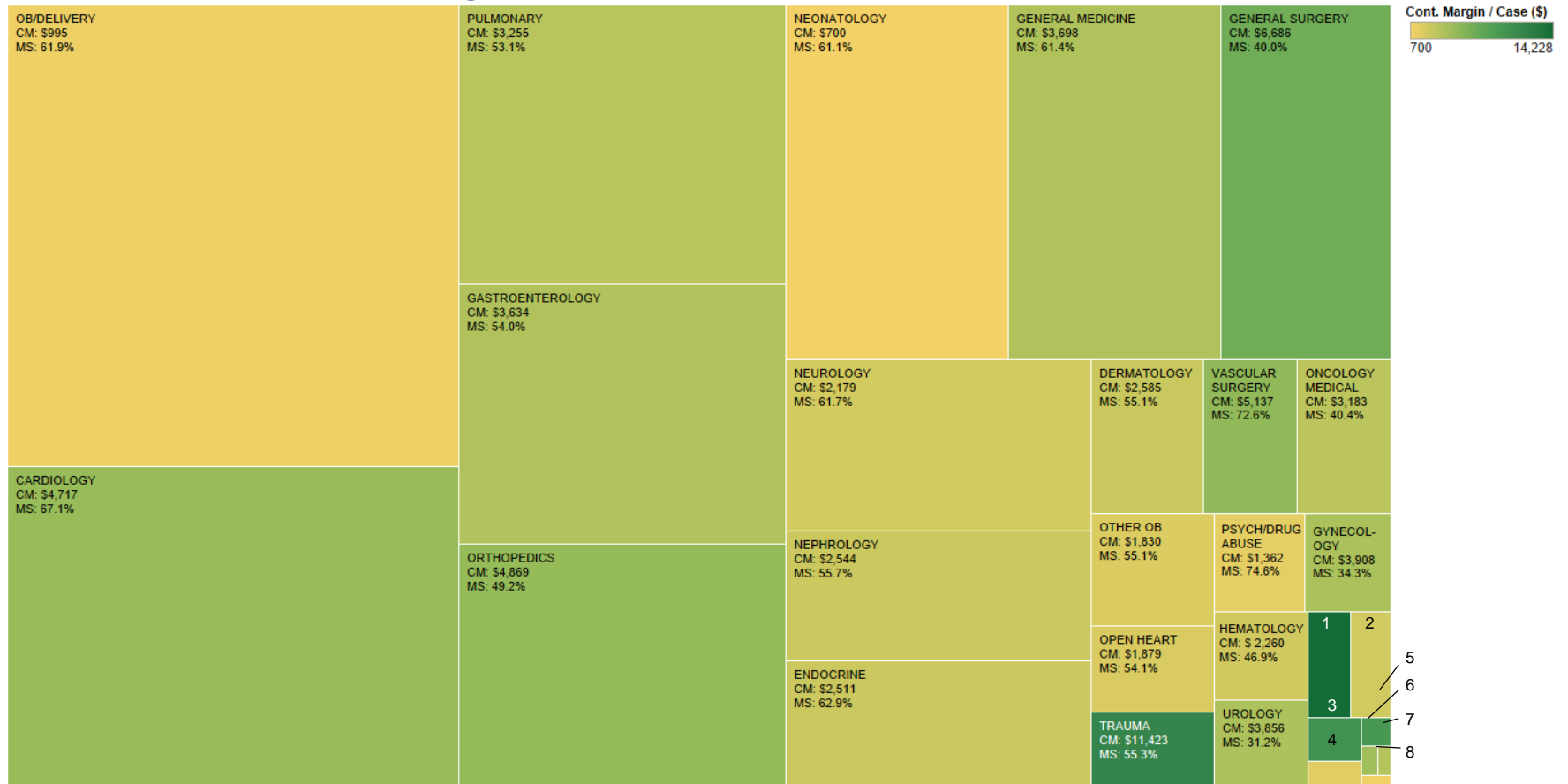


Sources: FPSA OSHPD data provided by Client



FY-17 Contribution Margin per Case and Market Share by Service Line

Lower CM per case in high volume service lines expose KD to risk



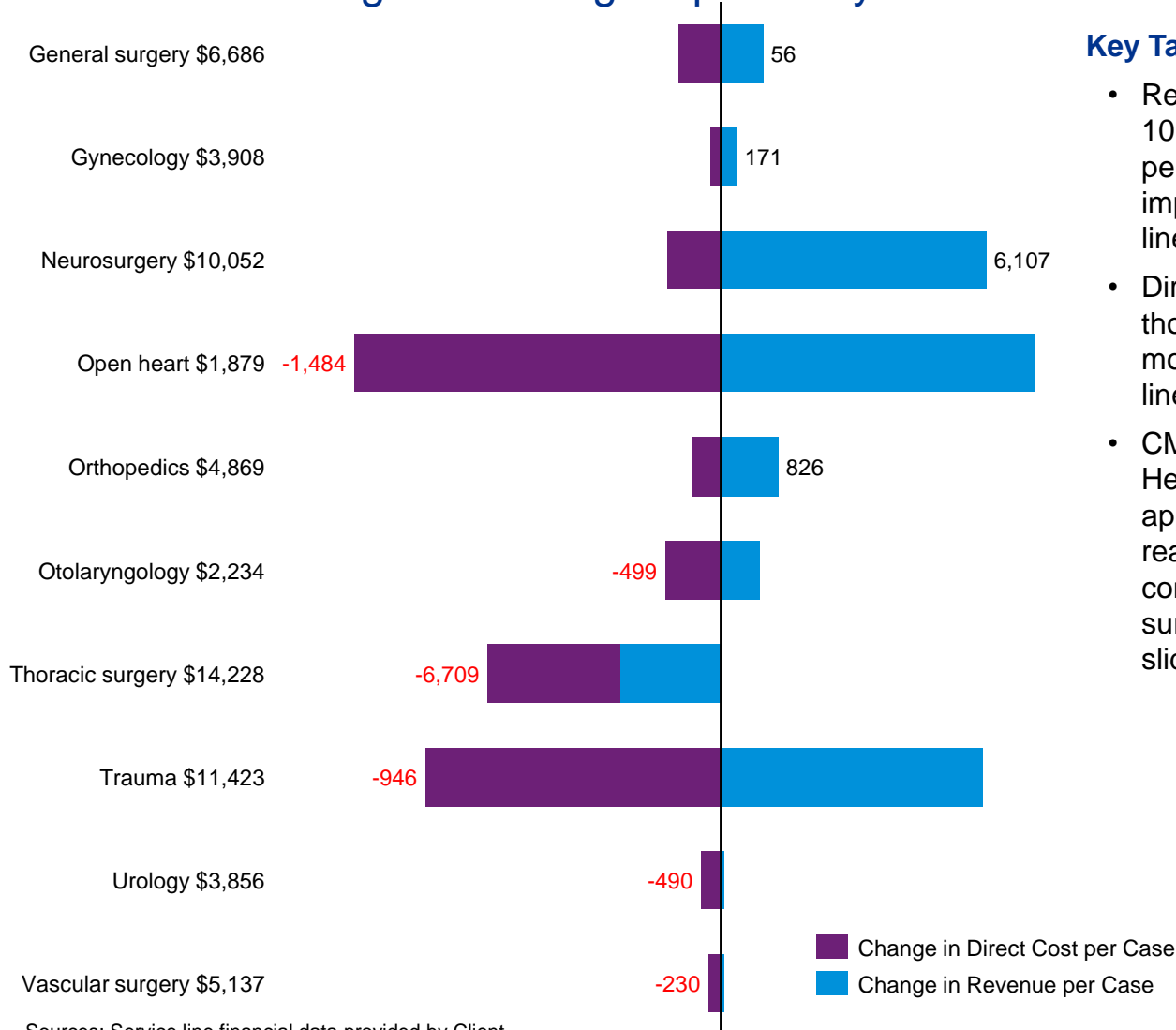
Key Takeaways

- The highest CM per case service lines are low volume ones, showing that it is important to be vigilant on direct costs for high volume services as small changes can have a big impact on overall financial performance

Sources: Service line financial data provided by Client

Note: (1) Thoracic Surgery - \$14,288, 35.4%; (2) Otolaryngology - \$2,234, 30.4%; (3) Neuro surgery - \$10,052, 14.0%; (4) Rheumatology - \$1,590, 50.0%; (5) HIV - \$9,316, 54.8%; (6) Dentistry - \$4,414, 26.5%; (7) Ophthalmology - \$3,536, 25.0%; (8) Other - \$874, 0.0%

FY-15 vs FY-17 Surgical Contribution Margin per Case Changes | Unfavorable trend in revenue growth being outpaced by direct cost increases



Key Takeaways

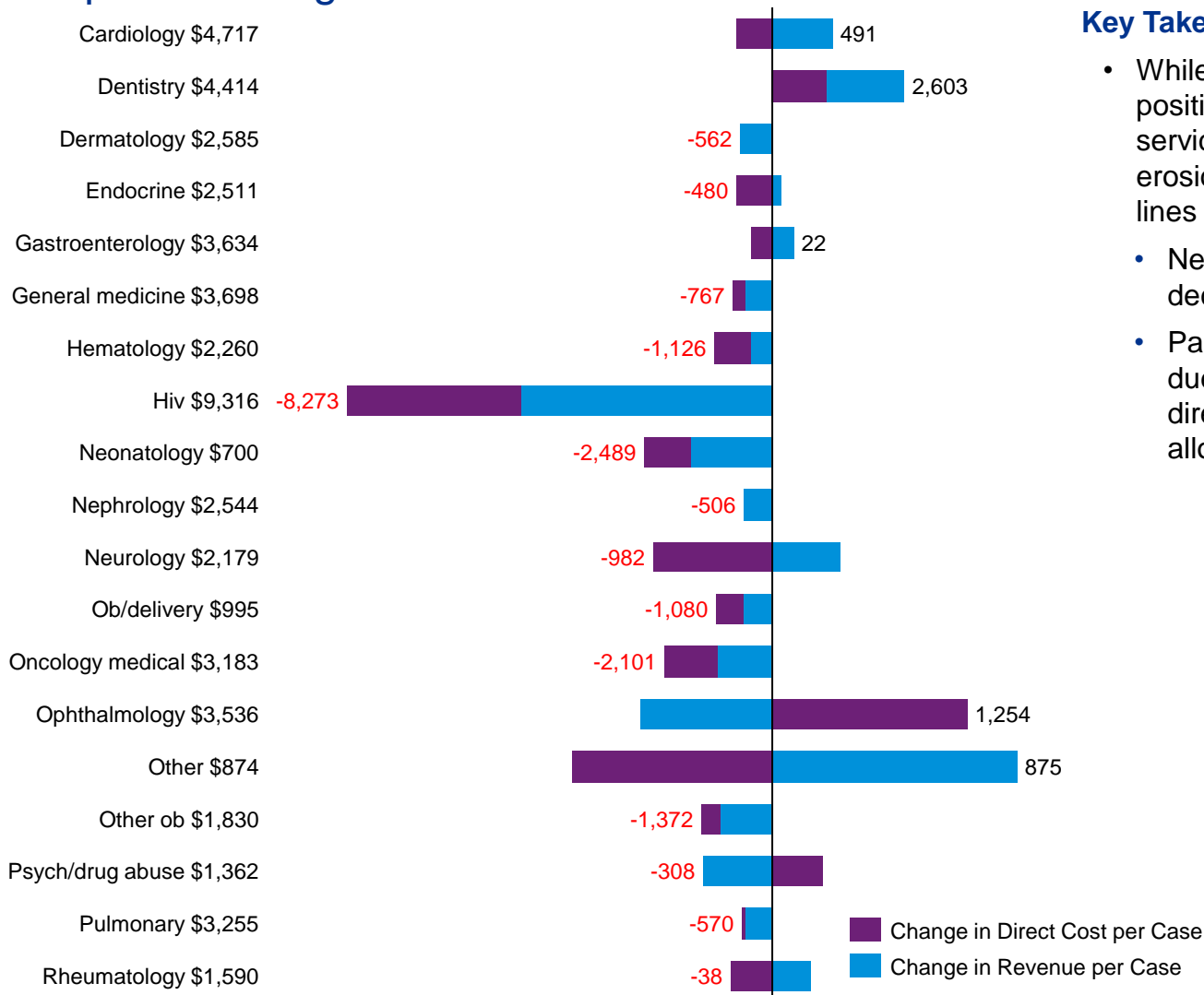
- Revenue per case grew in 7 of the 10 surgical service lines, limiting CM per case erosion in some cases and improving CM per case in 4 service lines
- Direct cost growth in open heart and thoracic surgery should be monitored as growth in those service lines becomes a focus
- CM per case in Gynecology, Open Heart, ENT and Urology services appear lower than would seem reasonable, as seen when compared to even some of the non-surgical service lines on the next slide

Sources: Service line financial data provided by Client

Note: Excludes Normal Newborns (DRG 795); Left axis represents FY-17 contribution margin by service line



FY-15 vs FY-17 Non-Surgical Contribution Margin per Case Changes | Revenue drop the leading cause of CM erosion



Key Takeaways

- While CM per case remains positive for all non-surgical service lines, there has been erosion in 14 of the 19 service lines
- Net revenue per case decreased in 9 of them
- Part of the erosion could be due to changes made in how direct and indirect costs are allocated by service line

Sources: Service line financial data provided by Client

Note: Excludes Normal Newborns (DRG 795); Left axis represents FY-17 contribution margin by service line



FPSA Out-migration Keepage Opportunity Filters by Service Line | Community need indicators support growth opportunities through reduced leakage

FPSA Out-migration Keepage Opportunity Filters						
Service Line	FY-17 Cont. Margin / Case	Cont. Margin / Case FY-15 to FY-17	FY-17 FPSA Volume	FY-17 Out-Migration ¹ (%)	FY-17 Out-Migration ¹ Volume	Physician demand by 2020 ²
Cardiology	4,717	▲ 491	3,891	12.7%	495	16
Dentistry	4,414	▲ 2,603	34	64.7%	22	n/a
Dermatology	2,585	▼ (562)	633	18.0%	114	11
Endocrine	2,511	▼ (479)	1,182	13.7%	162	5
Gastroenterology	3,634	▲ 22	3,018	21.4%	645	9
General medicine	3,698	▼ (767)	2,798	18.4%	516	n/a
General surgery	6,686	▲ 56	2,908	44.7%	1,300	26
Gynecology	3,908	▲ 171	508	40.2%	204	n/a
Hematology	2,260	▼ (1,125)	335	28.4%	95	n/a
Hiv	9,316	▼ (8,274)	31	25.8%	8	n/a
Neonatology	700	▼ (2,489)	2,588	17.3%	448	n/a
Nephrology	2,544	▼ (506)	1,353	14.8%	200	0
Neurology	2,179	▼ (982)	1,901	27.2%	518	6
Neurosurgery	10,052	▲ 6,107	307	85.7%	263	5
Ob/delivery	995	▼ (1,080)	6,701	11.9%	800	23
Oncology medical	3,183	▼ (2,101)	706	50.4%	356	6
Open heart	1,879	▼ (1,484)	333	45.9%	153	7
Ophthalmology	3,536	▲ 1,255	32	68.8%	22	14
Orthopedics	4,869	▲ 826	3,691	42.8%	1,578	21
Other	874	▲ 874	7	71.4%	5	n/a
Other ob	1,830	▼ (1,372)	530	29.1%	154	n/a
Otolaryngology	2,234	▼ (499)	286	62.6%	179	12
Psych/drug abuse	1,362	▼ (308)	1,527	22.8%	348	23
Pulmonary	3,255	▼ (571)	3,320	17.4%	577	8
Rheumatology	1,590	▼ (38)	60	30.0%	18	4
Thoracic surgery	14,228	▼ (6,709)	243	57.2%	139	n/a
Trauma	11,423	▼ (946)	257	39.3%	101	n/a
Urology	3,856	▼ (490)	500	60.2%	301	11
Vascular surgery	5,137	▼ (230)	354	21.8%	77	2
Total	119,455	▼ (18,607)	40,034	24.5%	9,798	209

Sources: FPSA OSHPD data provided by Client; 2017 Community Physician Supply Demand Assessment provided by Client

Note: (1) FPSA competitors excluding Sierra View Distract Hospital and Tulare District Hospital; (2) Based on Client provided physician supply demand assessment report



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Facility Planning Interview Summary

Discussion Topic	Interview Responses & Comments
<p>1</p> <p>Service Area</p>	<ul style="list-style-type: none"> ▪ KD's market has expanded over time, driven by significant investment in the depth of key programs, and now reflects KD's role as a regional referral center that provides a comprehensive spectrum of services, across the care continuum <ul style="list-style-type: none"> ▪ The economic realities of KD's market have directly impacted the role it serves, and the responsibilities they accept and act on as a safety net provider for many of the area's residents <ul style="list-style-type: none"> ▪ The majority of interviewees feel it is more likely that KD can expand their penetration of the existing market versus being able to draw patients from out the current service areas, and especially not from metropolitan markets such as Fresno and Bakersfield <ul style="list-style-type: none"> – Deeper penetration is possible through planting clinics in cities like Dinuba, Reedley, Tulare and Porterville – Stemming out-migration of residents who have choice through their insurance coverage is the most common perceived achievable goal brought up in our interviews <ul style="list-style-type: none"> ▪ While KD's market has been prone to out-migration by patients whose insurance coverage gives them options, a more recent phenomenon is outside providers actively targeting KD's service area <ul style="list-style-type: none"> – The penetration is more pronounced in high-acuity services – Recently non-commercial patients have become more attractive to outside providers

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Discussion Topic	Interview Responses & Comments
<p>2</p> <p>KD Current Capacity</p>	<ul style="list-style-type: none"> ▪ The ED was most mentioned as capacity constrained, but some of the issues in the ED are directly related to not being able to transfer patients to an inpatient bed <ul style="list-style-type: none"> – KD’s inability to go on diversion means that creative solutions are often required when ED visit volume exceeds reasonable levels – The way beds become available led some of our interviewees to surmise that there is more capacity than is being accessed, but that operational barriers are part of the issue, rather than only pure lack of beds.
	<ul style="list-style-type: none"> ▪ Intensive care capacity was also often mentioned as being frequently impacted, with some interviewees stating that physicians are slow to transfer their patients to other units <ul style="list-style-type: none"> – Some of this symptom was tied to lack of sufficient step-down capacity, which results in either overflow in the ICU/CVICU or longer stays in higher level settings than are medically necessary
	<ul style="list-style-type: none"> ▪ Operating rooms are not all updated or optimally sized for the growing surgical services of the institution <ul style="list-style-type: none"> – Of the 12 OR’s, only 2 are new and 4 have been remodeled, with the remaining seen as outdated and not optimized for the services KD offers – Orthopedic surgeons commented that only 7 of the 12 are large enough for their needs – The PACU is grossly undersized, having been originally built for 6 beds and now serving 13 beds
	<ul style="list-style-type: none"> ▪ While KD’s market has been prone to out-migration by patients whose insurance coverage gives them options, a more recent phenomenon is outside providers actively targeting KD’s service area <ul style="list-style-type: none"> – The penetration is more pronounced in high-acuity services – Recently non-commercial patients have become more attractive to outside providers

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Discussion Topic	Interview Responses & Comments
<p>3</p> <p>KD Program Growth</p>	<ul style="list-style-type: none"> ▪ The continued expansion of KD's surgical services is broadly viewed as clear evidence of the quality and depth of the organization, as it has moved from community hospital to regional provider <ul style="list-style-type: none"> – The leakage of volume to facilities in Fresno was characterized as due to either brand perception or existing referral relationships – Pockets of need exist (Hand surgeon, and additional total joint specialist) – The recruitment of a spine specialist and a total-joint specialist will fill some of the existing gaps – It was mentioned that a movement of IP care to the OP setting should see a 10% reduction over the next 2-3 years <ul style="list-style-type: none"> ▪ The arrangement with a private group from Los Angeles for neurosurgical coverage is expected to stem historical out-migration of these services and is expected to have a positive effect on KD's brand <ul style="list-style-type: none"> ▪ The recruitment of a cardiac surgeon, the announced relationship with the Cleveland Clinic, and the recruitment of a third cardiac surgeon from the Cleveland Clinic, will further elevate KD's brand in the eyes of the communities it currently serves, and is expected to greatly mitigate competitor's efforts to draw patients from the FPSA. <ul style="list-style-type: none"> ▪ Vascular care is expected to grow, and be a bigger part of KD's CV services in the future ▪ KD's trauma program was described as more comprehensive than the designation it currently holds, and is only hampered by gaps in a small number of sub-specialties ▪ Gaps in Urology and GI services were mentioned by the majority of interviewees as pressing concerns and causes for operational inefficiencies as staff and physicians are forced to spend a large amount of time trying to find coverage for patients

Facility Planning Interview Summary

Discussion Topic	Interview Responses & Comments
<p>4</p> <p>KD Managed Care</p>	<ul style="list-style-type: none">▪ The experience of accepting full-risk for the ~10k Humana Medicare Managed Care lives has shown internal constituents that with a programmatic approach it is possible to appropriately manage utilization and reduce ALOS ▪ There is a desire to cautiously expand managing risk to the Medi-Cal Managed Care population<ul style="list-style-type: none">- The factors that need to be considered include:<ul style="list-style-type: none">- Lack of significant primary care, with ~90k lives running through local FQHCs/RHCs- Main FQHC is aligned with Adventist Health- The incentive/payment structures are not in-line with the goals of managing this population- Is the infrastructure currently in place scalable- Will our physicians support such an effort, and agree to collaborate

Interview Summary

What Are Our Perceived Strengths? | There was general consensus among interviewees on what KD is known for in the market

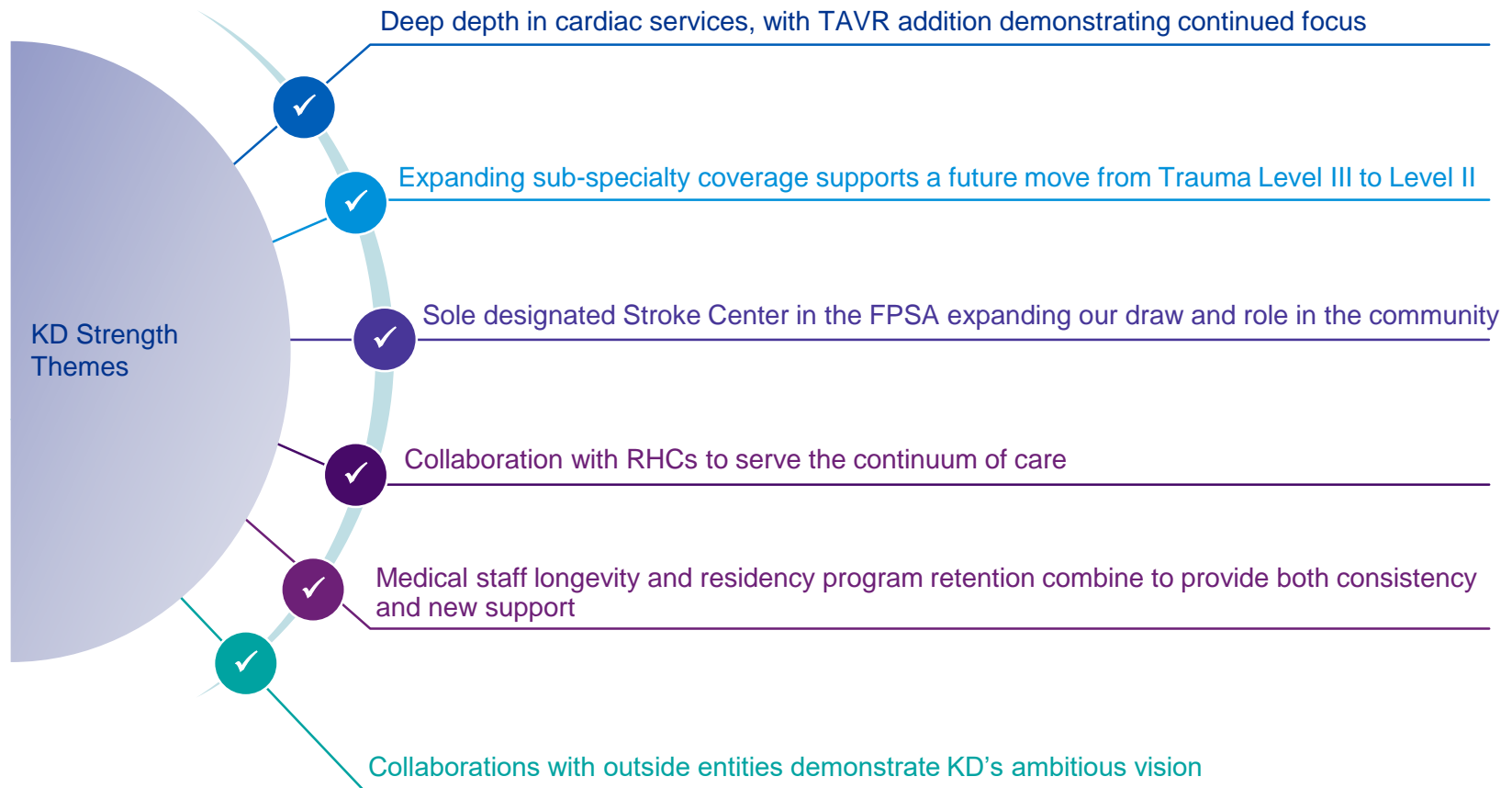
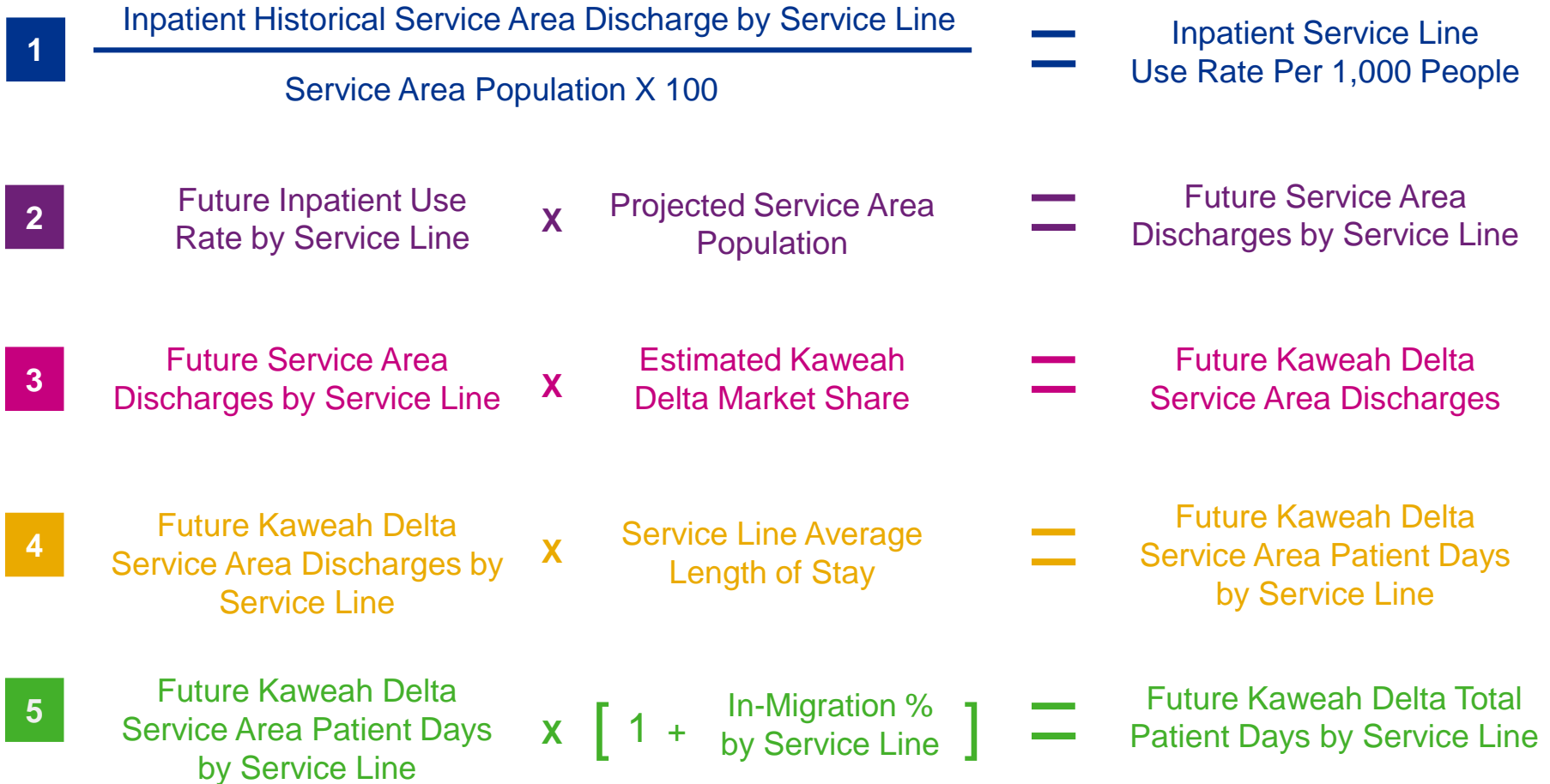


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Projection Methodology

Methodology Overview | Our approach includes a multi-step process at arriving at future demand



Projection Methodology

Crosswalk to Bed Type | Projected inpatient volume is translated to bed type need by using the crosswalk provided below

Crosswalk to Bed Type										
Service line	Med/Surg	ICU	CVICU	Step-down	Post-partum	NICU	SNF	Rehab	Psych	Total
Cardiology	74.5%	0.0%	7.4%	18.0%	0.0%	0.0%	0.0%	0.1%	0.0%	100.0%
Dentistry	95.7%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Dermatology	95.2%	0.3%	0.0%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Endocrine	78.6%	4.1%	0.0%	17.1%	0.0%	0.0%	0.0%	0.0%	0.2%	100.0%
Gastroenterology	83.8%	2.0%	0.0%	14.1%	0.0%	0.0%	0.0%	0.1%	0.0%	100.0%
General medicine	60.5%	8.3%	0.0%	16.1%	0.0%	0.0%	0.0%	15.1%	0.0%	100.0%
General surgery	82.9%	6.6%	0.0%	10.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Gynecology	95.8%	0.7%	0.0%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Hematology	86.2%	0.7%	0.0%	13.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Hiv	61.8%	17.1%	0.0%	21.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Neonatology	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Nephrology	90.5%	1.4%	0.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Neurology	48.6%	4.5%	0.0%	13.0%	0.0%	0.0%	0.0%	33.9%	0.0%	100.0%
Neurosurgery	63.8%	20.9%	0.0%	15.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Ob/delivery	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Oncology medical	87.9%	1.4%	0.0%	9.9%	0.0%	0.0%	0.0%	0.7%	0.0%	100.0%
Open heart	45.3%	0.0%	39.2%	15.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Ophthalmology	90.9%	0.0%	0.0%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Orthopedics	74.9%	0.8%	0.0%	3.1%	0.0%	0.0%	0.0%	21.2%	0.0%	100.0%
Other	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Other ob	89.7%	0.6%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%	8.0%	100.0%
Otolaryngology	93.1%	0.7%	0.0%	6.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Psych/drug abuse	4.7%	0.1%	0.0%	0.9%	0.0%	0.0%	0.0%	0.1%	94.1%	100.0%
Pulmonary	78.4%	4.2%	0.0%	16.8%	0.0%	0.0%	0.0%	0.6%	0.0%	100.0%
Rheumatology	89.8%	5.9%	0.0%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Thoracic surgery	39.1%	34.6%	0.0%	26.3%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Trauma	63.1%	21.9%	0.0%	14.9%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Urology	94.7%	0.8%	0.0%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Vascular surgery	77.8%	3.4%	0.0%	18.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Sources: Internal data provided by Client



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Baseline Projections

FY-17 FPSA Model Variables

FY-17 FPSA Model Variables										
Service Line	Use Rate Change FY-15 to FY-17	Population CAGR FY-15 to FY-17	FY-17 ALOS	FY-17 Market Share						
				Medi-Cal FFS	Medi-Cal Man. Care	Medicare FFS	Medicare Man. Care	Commercial	Other	
Cardiology	▲ 0.51	0.9%	4.4	61.7%	72.9%	65.0%	76.5%	66.2%	39.3%	
Dentistry	▲ 0.01	0.9%	2.3	-	22.2%	14.6%	100%	38.5%	50.0%	
Dermatology	▲ 0.00	0.9%	4.5	53.4%	53.2%	55.5%	50.9%	62.7%	61.1%	
Endocrine	▲ 0.50	0.9%	4.3	38.6%	64.0%	67.6%	76.7%	65.6%	33.3%	
Gastroenterology	▲ 0.90	0.9%	4.3	37.8%	49.4%	61.8%	74.2%	48.6%	40.0%	
General medicine	▼ (1.23)	0.9%	7.1	40.9%	59.9%	64.9%	73.1%	60.8%	38.1%	
General surgery	▼ (0.08)	0.9%	7.7	37.9%	41.4%	48.0%	61.2%	31.5%	26.0%	
Gynecology	▼ (0.33)	1.0%	2.5	25.9%	34.1%	26.9%	28.7%	39.1%	23.1%	
Hematology	▲ 0.03	0.9%	3.8	23.5%	47.6%	63.0%	66.4%	34.8%	20.0%	
Hiv	▼ (0.03)	0.9%	8.2	60.0%	50.0%	54.4%	50.9%	66.7%	-	
Neonatology	▲ 22.08	0.1%	4.4	46.0%	63.4%	-	-	75.9%	5.4%	
Nephrology	▲ 0.38	0.9%	4.8	38.2%	53.2%	57.2%	76.0%	55.7%	53.3%	
Neurology	▲ 1.01	0.9%	7.9	41.5%	61.0%	69.3%	73.1%	54.5%	32.6%	
Neurosurgery	▲ 0.08	1.4%	6.7	4.0%	20.5%	20.6%	26.2%	8.2%	6.7%	
Ob/delivery	▲ 1.33	0.6%	2.1	55.0%	56.5%	65.7%	30.7%	75.3%	33.3%	
Oncology medical	▲ 0.11	0.9%	6.5	9.6%	40.4%	58.5%	80.2%	37.8%	-	
Open heart	▼ (0.03)	1.4%	11.2	25.8%	36.2%	64.5%	73.2%	53.7%	-	
Ophthalmology	▼ (0.00)	0.9%	4.0	-	22.2%	51.6%	100%	10.0%	-	
Orthopedics	▲ 1.91	0.9%	5.7	25.4%	46.1%	55.5%	70.3%	44.4%	25.3%	
Other	-	0.9%	n/a	-	-	-	-	-	-	
Other ob	▼ (0.39)	0.6%	2.0	56.6%	54.1%	100%	100%	58.6%	25.0%	
Otolaryngology	▲ 0.05	0.9%	4.0	13.8%	33.3%	54.6%	69.6%	23.1%	8.3%	
Psych/drug abuse	▲ 0.07	0.9%	8.1	81.6%	66.7%	80.1%	83.3%	53.0%	68.9%	
Pulmonary	▼ (0.13)	0.9%	5.8	29.0%	49.8%	58.4%	70.9%	53.9%	27.6%	
Rheumatology	▼ (0.03)	0.9%	8.6	100%	50.0%	46.0%	59.7%	45.5%	66.7%	
Thoracic surgery	▲ 0.04	1.4%	18.2	12.5%	29.6%	46.5%	50.4%	35.2%	-	
Trauma	▲ 0.21	0.9%	7.1	56.1%	60.6%	55.4%	56.4%	58.9%	30.8%	
Urology	▼ (0.18)	1.4%	5.0	23.5%	33.3%	30.8%	38.5%	32.2%	11.1%	
Vascular surgery	▲ 0.02	0.9%	5.7	72.7%	76.8%	72.8%	83.9%	65.1%	28.6%	
Total	n/a	1.0%	5.1	48.0%	55.0%	60.2%	71.2%	56.9%	29.8%	

Sources: FPSA OSHPD data provided by Client



Baseline Projections

FY-38 FPSA Model Variables

FY-38 FPSA Model Variables									
Service Line	FY-38 Use Rate	Population CAGR FY-18 to FY-38	FY-38 ALOS	FY-38 Market Share					
				Medi-Cal FFS	Medi-Cal Man. Care	Medicare FFS	Medicare Man. Care	Commercial	Other
Cardiology	11.0	1.4%	4.2	74.0%	69.3%	73.0%	91.5%	52.6%	93.3%
Dentistry	0.1	1.4%	1.9	75.0%	70.0%	28.6%	100%	21.4%	-
Dermatology	1.3	1.4%	4.3	72.7%	43.1%	63.9%	97.4%	51.4%	100%
Endocrine	2.8	1.4%	4.0	36.6%	78.1%	77.2%	71.2%	47.1%	100%
Gastroenterology	6.2	1.4%	4.0	48.8%	51.1%	62.7%	74.1%	47.3%	100%
General medicine	6.3	1.4%	6.8	54.2%	63.8%	70.4%	86.4%	54.1%	95.0%
General surgery	4.8	1.4%	7.4	43.4%	46.4%	53.6%	86.7%	30.3%	54.9%
Gynecology	1.3	1.3%	2.3	48.0%	30.9%	24.2%	81.8%	30.9%	84.6%
Hematology	0.6	1.4%	3.4	40.0%	62.2%	67.0%	89.5%	19.7%	80.0%
Hiv	0.0	1.4%	9.2	80.0%	63.6%	25.0%	-	-	-
Neonatology	251.5	0.6%	4.1	55.9%	63.2%	-	-	72.9%	11.4%
Nephrology	2.8	1.4%	4.5	34.1%	64.1%	50.2%	88.3%	44.8%	100%
Neurology	5.8	1.4%	7.2	41.2%	100%	74.8%	84.2%	59.9%	90.9%
Neurosurgery	1.1	1.5%	6.0	21.4%	19.6%	60.5%	88.8%	51.3%	13.3%
Ob/delivery	51.4	1.1%	2.1	65.2%	54.6%	66.7%	-	73.0%	95.1%
Oncology medical	0.9	1.4%	6.0	8.5%	40.7%	44.1%	90.6%	17.8%	25.0%
Open heart	1.7	1.5%	10.8	40.0%	54.9%	64.4%	100%	52.9%	100%
Ophthalmology	0.0	1.4%	3.6	50.0%	33.5%	22.2%	100%	18.2%	-
Orthopedics	6.5	1.4%	5.6	30.5%	35.9%	49.5%	82.2%	41.3%	26.1%
Other	0.0	1.4%	-	11.1%	40.0%	-	-	-	-
Other ob	3.1	1.1%	1.7	100%	45.2%	100%	-	56.5%	25.0%
Otolaryngology	0.4	1.4%	4.0	29.6%	39.8%	41.2%	85.7%	18.5%	16.7%
Psych/drug abuse	3.6	1.4%	7.5	94.5%	98.1%	92.4%	77.3%	47.6%	96.6%
Pulmonary	6.6	1.4%	5.3	23.7%	53.2%	62.5%	88.9%	42.4%	85.7%
Rheumatology	0.1	1.4%	17.8	100%	15.4%	63.2%	100%	33.3%	-
Thoracic surgery	1.2	1.5%	18.7	56.5%	59.3%	62.9%	100%	55.4%	22.2%
Trauma	0.5	1.4%	6.6	48.7%	54.5%	32.1%	30.0%	49.2%	40.0%
Urology	1.4	1.5%	5.1	43.8%	53.4%	33.0%	53.3%	30.8%	22.2%
Vascular surgery	0.9	1.4%	5.4	100%	65.6%	76.2%	81.8%	68.9%	-
Total	n/a	1.4%	4.9	58.2%	56.9%	62.5%	84.7%	51.8%	59.3%

Sources: FPSA OSHPD data provided by Client



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Baseline Projections

Bed Need by Bed Type (1/3) | The prospective bed demand is compared to the current complement of beds (including planned expansion/conversion of existing space)

Med/Surg	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	71,641	74,193	79,275	80,521	81,673	82,897	85,573	87,804	89,687	91,697	93,743	95,883	98,071	112,209
Average daily census (Patient days/days of the year)	196	203	217	221	223	227	234	241	245	251	257	263	268	307
Existing beds	274	274	274	298	298	298	298	298	298	298	298	298	298	298
Needed bed space (85%)	231	240	256	260	263	268	276	284	289	296	303	310	316	362
(Deficit) / surplus	43	34	18	38	35	30	22	14	9	2	(5)	(12)	(18)	(64)

ICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	4,903	4,362	5,201	5,292	5,385	5,489	5,648	5,802	5,911	6,049	6,177	6,318	6,461	7,408
Average daily census (Patient days/days of the year)	13	12	14	14	15	15	15	16	16	17	17	17	18	20
Existing beds	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Needed bed space (75%)	18	16	19	20	20	21	21	22	22	23	23	24	24	28
(Deficit) / surplus	3	5	2	1	1	0	0	(1)	(1)	(2)	(2)	(3)	(3)	(7)

CVICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	2,018	1,972	2,211	2,282	2,347	2,402	2,501	2,595	2,653	2,713	2,779	2,846	2,923	3,371
Average daily census (Patient days/days of the year)	6	5	6	6	6	7	7	7	7	7	8	8	8	9
Existing beds	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Needed bed space (75%)	8	8	9	9	9	9	10	10	10	10	11	11	11	13
(Deficit) / surplus	12	12	11	11	11	11	10	10	10	10	9	9	9	7

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Baseline Projections

Bed Need by Bed Type (2/3) | The prospective bed demand is compared to the current complement of beds (including planned expansion/conversion of existing space)

Step-down	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	13,712	13,417	14,834	15,062	15,285	15,518	16,004	16,428	16,767	17,145	17,521	17,924	18,327	20,995
Average daily census (Patient days/days of the year)	37	37	41	41	42	43	44	45	46	47	48	49	50	58
Existing beds	31	31	31	31	31	31	31	31	31	31	31	31	31	31
Needed bed space (75%)	50	50	55	56	56	57	59	61	62	63	65	66	67	77
(Deficit) / surplus	(19)	(19)	(24)	(25)	(25)	(26)	(28)	(30)	(31)	(32)	(34)	(35)	(36)	(46)

Post-partum	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	8,794	9,238	9,439	9,649	9,891	10,162	10,473	10,693	10,926	11,173	11,433	11,710	12,000	13,421
Average daily census (Patient days/days of the year)	24	25	26	26	27	28	29	29	30	31	31	32	33	37
Existing beds	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Needed bed space (80%)	31	32	33	34	34	35	36	37	38	39	40	41	41	46
(Deficit) / surplus	11	10	9	8	8	7	6	5	4	3	2	1	1	(4)

NICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	6,394	7,516	7,875	8,109	8,374	8,669	9,008	9,209	9,419	9,648	9,883	10,133	10,402	11,003
Average daily census (Patient days/days of the year)	17	21	22	22	23	24	25	25	26	26	27	28	28	30
Existing beds	15	15	15	23	23	23	23	23	23	23	23	23	23	23
Needed bed space (90%)	20	23	24	25	26	27	28	29	29	30	31	31	32	34
(Deficit) / surplus	(5)	(8)	(9)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8)	(8)	(9)	(11)

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Baseline Projections

Bed Need by Bed Type (3/3) | The prospective bed demand is compared to the current complement of beds (including planned expansion/conversion of existing space)

Rehab	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	7,130	8,310	8,698	8,936	9,183	9,444	9,849	10,198	10,446	10,706	10,971	11,258	11,538	13,213
Average daily census (Patient days/days of the year)	19	23	24	24	25	26	27	28	29	29	30	31	32	36
Existing beds	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Needed bed space (85%)	23	27	29	29	30	31	32	33	34	35	36	37	38	43
(Deficit) / surplus	22	18	16	16	15	14	13	12	11	10	9	8	7	2

Psych	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	14,037	13,547	15,171	14,821	14,443	14,066	13,869	13,816	13,807	13,762	13,717	13,704	13,687	15,652
Average daily census (Patient days/days of the year)	38	37	42	41	39	39	38	38	38	38	38	38	37	43
Existing beds	63	63	63	63	63	63	63	63	63	63	63	63	63	63
Needed bed space (85%)	46	44	49	48	47	46	45	45	45	45	45	45	44	51
(Deficit) / surplus	17	19	14	15	16	17	18	18	18	18	18	18	19	12

SNF	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	20,933	21,208	21,421	21,711	22,006	22,303	22,608	22,918	23,229	23,549	23,868	24,192	24,523	28,077
Average daily census (Patient days/days of the year)	57	58	59	59	60	61	62	63	63	65	65	66	67	77
Existing beds	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Needed bed space (85%)	68	69	70	70	71	72	73	74	75	76	77	78	79	91
(Deficit) / surplus	2	1	0	0	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(21)

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Baseline Projections

Operating Room Need | Connecting surgical service line growth to surgeries by category indicates a shortage of two operating rooms at the end of the projection period

Operating Rooms	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Inpatient Cardiac Surgeries	359	319	399	419	435	447	466	482	494	501	511	523	538	622
Inpatient Non-Cardiac Surgeries	3,603	3,565	3,845	3,982	4,117	4,262	4,417	4,543	4,643	4,754	4,862	4,979	5,096	5,836
Outpatient Surgeries	5,287	5,524	5,713	6,037	6,365	6,717	7,093	7,432	7,596	7,777	7,954	8,145	8,337	9,547
Existing ORs	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Needed ORs	7	7	7	8	8	8	9	9	9	10	10	10	10	12
(Deficit) / surplus	3	3	3	2	2	2	1	1	1	-	-	-	-	(2)

- Surgical projections were created in three categories: 1) Inpatient Cardiac, 2) Inpatient Non-Cardiac, and 3) Outpatient
- Inpatient cardiac surgeries were estimated as a proportion of inpatient open heart discharges, with the 2017 ratio held constant
- Inpatient non-cardiac surgeries were estimated as a proportion of non-cardiac surgical service line discharges, with the 2017 ratio held constant
- Outpatient surgeries were estimated as a proportion of non-cardiac inpatient surgeries, with the 2017 ratio grown by 3% for the 5 years from FY-19 to FY-23

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Baseline Projections

Cath Lab Need | Cardiac services projections flow through the analysis and indicate that current complement of cath labs will be sufficient until 2028

CATH Labs	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Diagnostic caths	2,993	2,960	3,138	3,278	3,424	3,574	3,739	3,867	3,969	4,076	4,186	4,301	4,417	5,056
Interventional caths	2,975	4,073	4,318	4,510	4,711	4,918	5,145	5,322	5,462	5,608	5,760	5,918	6,078	6,957
Total Caths	5,968	7,033	7,456	7,788	8,134	8,492	8,885	9,189	9,431	9,684	9,947	10,218	10,495	12,012
Needed CATH lab	3	4	4	4	4	5	5	5	5	5	5	5	6	6
Existing CATH lab	5	5	5	5	5	5	5	5	5	5	5	5	5	5
(Deficit) / surplus	2	1	1	1	1	-	-	-	-	-	-	-	(1)	(1)

- Historically, overall cath volume has decreased, with diagnostic caths decreasing by 6% from 2015 to 2017 and interventional caths decreasing by 10%
 - However, this is driven by a large drop from 2015 to 2016 that has been largely reversed from 2016 to 2017
- Ratio of caths to cardiac discharges was used to estimate cath volume growth over the projection period, with the 2017 ratio estimated to remain constant over the projection period

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



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Scenario 1: Reduce LOS to Half-Way Towards the GMLOS in 5 Years

FY-17 FPSA Model Variables – Unchanged from Baseline Scenario

FY-17 FPSA Model Variables										
Service Line	Use Rate Change FY-15 to FY-17	Population CAGR FY-15 to FY-17	FY-17 ALOS	FY-17 Market Share						
				Medi-Cal FFS	Medi-Cal Man. Care	Medicare FFS	Medicare Man. Care	Commercial	Other	
Cardiology	▲ 0.51	0.9%	4.4	61.7%	72.9%	65.0%	76.5%	66.2%	39.3%	
Dentistry	▲ 0.01	0.9%	2.3	-	22.2%	14.6%	100%	38.5%	50.0%	
Dermatology	▲ 0.00	0.9%	4.5	53.4%	53.2%	55.5%	50.9%	62.7%	61.1%	
Endocrine	▲ 0.50	0.9%	4.3	38.6%	64.0%	67.6%	76.7%	65.6%	33.3%	
Gastroenterology	▲ 0.90	0.9%	4.3	37.8%	49.4%	61.8%	74.2%	48.6%	40.0%	
General medicine	▼ (1.23)	0.9%	7.1	40.9%	59.9%	64.9%	73.1%	60.8%	38.1%	
General surgery	▼ (0.08)	0.9%	7.7	37.9%	41.4%	48.0%	61.2%	31.5%	26.0%	
Gynecology	▼ (0.33)	1.0%	2.5	25.9%	34.1%	26.9%	28.7%	39.1%	23.1%	
Hematology	▲ 0.03	0.9%	3.8	23.5%	47.6%	63.0%	66.4%	34.8%	20.0%	
Hiv	▼ (0.03)	0.9%	8.2	60.0%	50.0%	54.4%	50.9%	66.7%	-	
Neonatology	▲ 22.08	0.1%	4.4	46.0%	63.4%	-	-	75.9%	5.4%	
Nephrology	▲ 0.38	0.9%	4.8	38.2%	53.2%	57.2%	76.0%	55.7%	53.3%	
Neurology	▲ 1.01	0.9%	7.9	41.5%	61.0%	69.3%	73.1%	54.5%	32.6%	
Neurosurgery	▲ 0.08	1.4%	6.7	4.0%	20.5%	20.6%	26.2%	8.2%	6.7%	
Ob/delivery	▲ 1.33	0.6%	2.1	55.0%	56.5%	65.7%	30.7%	75.3%	33.3%	
Oncology medical	▲ 0.11	0.9%	6.5	9.6%	40.4%	58.5%	80.2%	37.8%	-	
Open heart	▼ (0.03)	1.4%	11.2	25.8%	36.2%	64.5%	73.2%	53.7%	-	
Ophthalmology	▼ (0.00)	0.9%	4.0	-	22.2%	51.6%	100%	10.0%	-	
Orthopedics	▲ 1.91	0.9%	5.7	25.4%	46.1%	55.5%	70.3%	44.4%	25.3%	
Other	-	0.9%	n/a	-	-	-	-	-	-	
Other ob	▼ (0.39)	0.6%	2.0	56.6%	54.1%	100%	100%	58.6%	25.0%	
Otolaryngology	▲ 0.05	0.9%	4.0	13.8%	33.3%	54.6%	69.6%	23.1%	8.3%	
Psych/drug abuse	▲ 0.07	0.9%	8.1	81.6%	66.7%	80.1%	83.3%	53.0%	68.9%	
Pulmonary	▼ (0.13)	0.9%	5.8	29.0%	49.8%	58.4%	70.9%	53.9%	27.6%	
Rheumatology	▼ (0.03)	0.9%	8.6	100%	50.0%	46.0%	59.7%	45.5%	66.7%	
Thoracic surgery	▲ 0.04	1.4%	18.2	12.5%	29.6%	46.5%	50.4%	35.2%	-	
Trauma	▲ 0.21	0.9%	7.1	56.1%	60.6%	55.4%	56.4%	58.9%	30.8%	
Urology	▼ (0.18)	1.4%	5.0	23.5%	33.3%	30.8%	38.5%	32.2%	11.1%	
Vascular surgery	▲ 0.02	0.9%	5.7	72.7%	76.8%	72.8%	83.9%	65.1%	28.6%	
Total	n/a	1.0%	5.1	48.0%	55.0%	60.2%	71.2%	56.9%	29.8%	

Sources: FPSA OSHPD data provided by Client



Scenario 1: Reduce LOS to Half-Way Towards the GMLOS in 5 Years

FY-38 FPSA Model Variables

FY-38 FPSA Model Variables				FY-38 Market Share					
Service Line	FY-38 Use Rate	Population CAGR FY-18 to FY-38	FY-38 ALOS	Medi-Cal	Medi-Cal	Medicare	Medicare	Commercial	Other
				FFS	Man. Care	FFS	Man. Care		
Cardiology	11.0	1.4%	3.8	76.6%	69.3%	73.0%	96.0%	55.1%	95.0%
Dentistry	0.1	1.4%	2.1	75.0%	70.0%	28.6%	100%	21.4%	-
Dermatology	1.3	1.4%	3.9	72.7%	43.1%	63.9%	97.4%	51.4%	100%
Endocrine	2.8	1.4%	3.7	36.6%	78.1%	77.2%	71.2%	47.1%	100%
Gastroenterology	6.2	1.4%	3.9	48.8%	51.1%	62.7%	74.1%	47.3%	100%
General medicine	6.3	1.4%	5.7	54.2%	63.8%	70.4%	86.4%	54.1%	95.0%
General surgery	4.8	1.4%	6.5	43.4%	46.4%	53.6%	86.7%	30.3%	54.9%
Gynecology	1.3	1.3%	2.5	48.0%	30.9%	24.2%	81.8%	30.9%	84.6%
Hematology	0.6	1.4%	3.4	40.0%	62.2%	67.0%	89.5%	19.7%	80.0%
Hiv	0.0	1.4%	7.2	80.0%	63.6%	25.0%	-	-	-
Neonatology	251.5	0.6%	4.4	55.9%	63.2%	-	-	72.9%	11.4%
Nephrology	2.8	1.4%	4.1	34.1%	64.1%	50.2%	88.3%	44.8%	100%
Neurology	5.8	1.4%	5.4	41.2%	100%	74.8%	84.2%	59.9%	90.9%
Neurosurgery	1.1	1.5%	5.7	21.4%	19.6%	60.5%	88.8%	51.3%	13.3%
Ob/delivery	51.4	1.1%	2.1	65.2%	54.6%	66.7%	-	73.0%	95.1%
Oncology medical	0.9	1.4%	5.2	8.5%	46.0%	44.1%	90.6%	17.8%	25.0%
Open heart	1.7	1.5%	9.8	43.9%	54.9%	71.5%	100%	57.4%	100%
Ophthalmology	0.0	1.4%	2.9	50.0%	33.5%	22.2%	100%	18.2%	-
Orthopedics	6.5	1.4%	4.7	30.5%	35.9%	49.5%	82.2%	41.3%	26.1%
Other	0.0	1.4%	-	11.1%	40.0%	-	-	-	-
Other ob	3.1	1.1%	2.0	100%	45.2%	100%	-	56.5%	25.0%
Otolaryngology	0.4	1.4%	3.4	29.6%	39.8%	41.2%	85.7%	18.5%	16.7%
Psych/drug abuse	3.6	1.4%	5.7	94.5%	98.1%	92.4%	77.3%	47.6%	96.6%
Pulmonary	6.6	1.4%	4.7	23.7%	53.2%	62.5%	88.9%	42.4%	85.7%
Rheumatology	0.1	1.4%	10.6	100%	15.4%	63.2%	100%	33.3%	-
Thoracic surgery	1.2	1.5%	16.5	56.5%	59.3%	62.9%	100%	55.4%	22.2%
Trauma	0.5	1.4%	5.3	48.7%	54.5%	32.1%	30.0%	49.2%	40.0%
Urology	1.4	1.5%	3.9	43.8%	53.4%	33.0%	53.3%	30.8%	22.2%
Vascular surgery	0.9	1.4%	4.9	100%	65.6%	76.2%	81.8%	68.9%	-
Total	n/a	1.4%	4.3	58.3%	57.0%	62.6%	85.4%	52.1%	59.5%

Sources: FPSA OSHPD data provided by Client



Scenario 1: Reduce LOS to Half-Way Towards the GMLOS in 5 Years

Bed Need by Bed Type (1/3) | Reducing ALOS to half-way between the current experience and the geometric mean over 5 years results in bed need reductions in all bed categories other than post-partum and NICU

Med/Surg	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	71,641	74,193	79,275	78,994	78,545	78,089	77,654	76,648	78,320	80,098	81,911	83,811	85,746	98,127
Average daily census (Patient days/days of the year)	196	203	217	216	215	214	213	210	214	219	224	230	234	269
Existing beds	274	274	274	298	298	298	298	298	298	298	298	298	298	298
Needed bed space (85%)	231	240	256	255	253	252	251	248	252	259	265	271	276	317
(Deficit) / surplus	43	34	18	43	45	46	47	50	46	39	33	27	22	(19)

ICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	4,903	4,362	5,201	5,164	5,116	5,082	5,025	4,962	5,059	5,179	5,290	5,412	5,533	6,347
Average daily census (Patient days/days of the year)	13	12	14	14	14	14	14	14	14	14	14	15	15	17
Existing beds	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Needed bed space (75%)	18	16	19	19	19	19	19	19	19	19	20	20	21	24
(Deficit) / surplus	3	5	2	2	2	2	2	2	2	2	1	1	0	(3)

CVICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	2,018	1,972	2,211	2,254	2,288	2,309	2,340	2,360	2,413	2,468	2,529	2,590	2,662	3,069
Average daily census (Patient days/days of the year)	6	5	6	6	6	6	6	6	7	7	7	7	7	8
Existing beds	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Needed bed space (75%)	8	8	9	9	9	9	9	9	9	10	10	10	10	12
(Deficit) / surplus	12	12	11	11	11	11	11	11	11	10	10	10	10	8

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Scenario 1: Reduce LOS to Half-Way Towards the GMLOS in 5 Years

Bed Need by Bed Type (2/3) | Reducing ALOS to half-way between the current experience and the geometric mean over 5 years results in bed need reductions in all bed categories other than post-partum and NICU

Step-down	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	13,712	13,417	14,834	14,760	14,669	14,573	14,474	14,296	14,599	14,930	15,269	15,621	15,977	18,310
Average daily census (Patient days/days of the year)	37	37	41	40	40	40	40	39	40	41	42	43	44	50
Existing beds	31	31	31	31	31	31	31	31	31	31	31	31	31	31
Needed bed space (75%)	50	50	55	54	54	54	53	53	54	55	56	58	59	67
(Deficit) / surplus	(19)	(19)	(24)	(23)	(23)	(23)	(22)	(22)	(23)	(24)	(25)	(27)	(28)	(36)

Post-partum	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	8,794	9,238	9,439	9,649	9,891	10,162	10,473	10,693	10,926	11,173	11,433	11,710	12,000	13,421
Average daily census (Patient days/days of the year)	24	25	26	26	27	28	29	29	30	31	31	32	33	37
Existing beds	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Needed bed space (80%)	31	32	33	34	34	35	36	37	38	39	40	41	41	46
(Deficit) / surplus	11	10	9	8	8	7	6	5	4	3	2	1	1	(4)

NICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	6,394	7,516	7,875	8,109	8,374	8,669	9,008	9,209	9,419	9,648	9,883	10,133	10,402	11,003
Average daily census (Patient days/days of the year)	17	21	22	22	23	24	25	25	26	26	27	28	28	30
Existing beds	15	15	15	23	23	23	23	23	23	23	23	23	23	23
Needed bed space (90%)	20	23	24	25	26	27	28	29	29	30	31	31	32	34
(Deficit) / surplus	(5)	(8)	(9)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8)	(8)	(9)	(11)

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Scenario 1: Reduce LOS to Half-Way Towards the GMLOS in 5 Years

Bed Need by Bed Type (3/3) | Reducing ALOS to half-way between the current experience and the geometric mean over 5 years results in bed need reductions in all bed categories other than post-partum and NICU

Rehab	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	7,130	8,310	8,698	8,617	8,518	8,410	8,293	8,094	8,292	8,496	8,707	8,932	9,154	10,483
Average daily census (Patient days/days of the year)	19	23	24	24	23	23	23	22	23	23	24	24	25	29
Existing beds	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Needed bed space (85%)	23	27	29	28	28	28	27	27	27	28	29	29	30	34
(Deficit) / surplus	22	18	16	17	17	17	18	18	18	17	16	16	15	11

Psych	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	14,037	13,547	15,171	14,186	13,197	12,240	11,332	10,555	10,558	10,536	10,513	10,513	10,514	12,023
Average daily census (Patient days/days of the year)	38	37	42	39	36	34	31	29	29	29	29	29	29	33
Existing beds	63	63	63	63	63	63	63	63	63	63	63	63	63	63
Needed bed space (85%)	46	44	49	46	43	40	37	35	34	34	34	34	34	39
(Deficit) / surplus	17	19	14	17	20	23	26	28	29	29	29	29	29	24

SNF	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	20,933	21,208	21,421	21,711	22,006	22,303	22,608	22,918	23,229	23,549	23,868	24,192	24,523	28,077
Average daily census (Patient days/days of the year)	57	58	59	59	60	61	62	63	63	65	65	66	67	77
Existing beds	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Needed bed space (85%)	68	69	70	70	71	72	73	74	75	76	77	78	79	91
(Deficit) / surplus	2	1	0	0	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(21)

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



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Scenario 2: LOS adjustment to GMLOS in 3 years

FY-17 FPSA Model Variables – Unchanged from Baseline Scenario

FY-17 FPSA Model Variables										
Service Line	Use Rate Change FY-15 to FY-17	Population CAGR FY-15 to FY-17	FY-17 ALOS	FY-17 Market Share						
				Medi-Cal FFS	Medi-Cal Man. Care	Medicare FFS	Medicare Man. Care	Commercial	Other	
Cardiology	▲ 0.51	0.9%	4.4	61.7%	72.9%	65.0%	76.5%	66.2%	39.3%	
Dentistry	▲ 0.01	0.9%	2.3	-	22.2%	14.6%	100%	38.5%	50.0%	
Dermatology	▲ 0.00	0.9%	4.5	53.4%	53.2%	55.5%	50.9%	62.7%	61.1%	
Endocrine	▲ 0.50	0.9%	4.3	38.6%	64.0%	67.6%	76.7%	65.6%	33.3%	
Gastroenterology	▲ 0.90	0.9%	4.3	37.8%	49.4%	61.8%	74.2%	48.6%	40.0%	
General medicine	▼ (1.23)	0.9%	7.1	40.9%	59.9%	64.9%	73.1%	60.8%	38.1%	
General surgery	▼ (0.08)	0.9%	7.7	37.9%	41.4%	48.0%	61.2%	31.5%	26.0%	
Gynecology	▼ (0.33)	1.0%	2.5	25.9%	34.1%	26.9%	28.7%	39.1%	23.1%	
Hematology	▲ 0.03	0.9%	3.8	23.5%	47.6%	63.0%	66.4%	34.8%	20.0%	
Hiv	▼ (0.03)	0.9%	8.2	60.0%	50.0%	54.4%	50.9%	66.7%	-	
Neonatology	▲ 22.08	0.1%	4.4	46.0%	63.4%	-	-	75.9%	5.4%	
Nephrology	▲ 0.38	0.9%	4.8	38.2%	53.2%	57.2%	76.0%	55.7%	53.3%	
Neurology	▲ 1.01	0.9%	7.9	41.5%	61.0%	69.3%	73.1%	54.5%	32.6%	
Neurosurgery	▲ 0.08	1.4%	6.7	4.0%	20.5%	20.6%	26.2%	8.2%	6.7%	
Ob/delivery	▲ 1.33	0.6%	2.1	55.0%	56.5%	65.7%	30.7%	75.3%	33.3%	
Oncology medical	▲ 0.11	0.9%	6.5	9.6%	40.4%	58.5%	80.2%	37.8%	-	
Open heart	▼ (0.03)	1.4%	11.2	25.8%	36.2%	64.5%	73.2%	53.7%	-	
Ophthalmology	▼ (0.00)	0.9%	4.0	-	22.2%	51.6%	100%	10.0%	-	
Orthopedics	▲ 1.91	0.9%	5.7	25.4%	46.1%	55.5%	70.3%	44.4%	25.3%	
Other	-	0.9%	n/a	-	-	-	-	-	-	
Other ob	▼ (0.39)	0.6%	2.0	56.6%	54.1%	100%	100%	58.6%	25.0%	
Otolaryngology	▲ 0.05	0.9%	4.0	13.8%	33.3%	54.6%	69.6%	23.1%	8.3%	
Psych/drug abuse	▲ 0.07	0.9%	8.1	81.6%	66.7%	80.1%	83.3%	53.0%	68.9%	
Pulmonary	▼ (0.13)	0.9%	5.8	29.0%	49.8%	58.4%	70.9%	53.9%	27.6%	
Rheumatology	▼ (0.03)	0.9%	8.6	100%	50.0%	46.0%	59.7%	45.5%	66.7%	
Thoracic surgery	▲ 0.04	1.4%	18.2	12.5%	29.6%	46.5%	50.4%	35.2%	-	
Trauma	▲ 0.21	0.9%	7.1	56.1%	60.6%	55.4%	56.4%	58.9%	30.8%	
Urology	▼ (0.18)	1.4%	5.0	23.5%	33.3%	30.8%	38.5%	32.2%	11.1%	
Vascular surgery	▲ 0.02	0.9%	5.7	72.7%	76.8%	72.8%	83.9%	65.1%	28.6%	
Total	n/a	1.0%	5.1	48.0%	55.0%	60.2%	71.2%	56.9%	29.8%	

Sources: FPSA OSHPD data provided by Client



Scenario 2: LOS adjustment to GMLOS in 3 years

FY-38 FPSA Model Variables

FY-38 FPSA Model Variables									
Service Line	FY-38 Use Rate	Population CAGR FY-18 to FY-38	FY-38 ALOS	FY-38 Market Share					
				Medi-Cal FFS	Medi-Cal Man. Care	Medicare FFS	Medicare Man. Care	Commercial	Other
Cardiology	11.0	1.4%	3.2	76.6%	69.3%	73.0%	96.0%	55.1%	95.0%
Dentistry	0.1	1.4%	2.1	75.0%	70.0%	28.6%	100%	21.4%	-
Dermatology	1.3	1.4%	3.4	72.7%	43.1%	63.9%	97.4%	51.4%	100%
Endocrine	2.8	1.4%	3.0	36.6%	78.1%	77.2%	71.2%	47.1%	100%
Gastroenterology	6.2	1.4%	3.4	48.8%	51.1%	62.7%	74.1%	47.3%	100%
General medicine	6.3	1.4%	4.3	54.2%	63.8%	70.4%	86.4%	54.1%	95.0%
General surgery	4.8	1.4%	5.4	43.4%	46.4%	53.6%	86.7%	30.3%	54.9%
Gynecology	1.3	1.3%	2.5	48.0%	30.9%	24.2%	81.8%	30.9%	84.6%
Hematology	0.6	1.4%	3.1	40.0%	62.2%	67.0%	89.5%	19.7%	80.0%
Hiv	0.0	1.4%	4.9	80.0%	63.6%	25.0%	-	-	-
Neonatology	251.5	0.6%	4.4	55.9%	63.2%	-	-	72.9%	11.4%
Nephrology	2.8	1.4%	3.6	34.1%	64.1%	50.2%	88.3%	44.8%	100%
Neurology	5.8	1.4%	3.4	41.2%	100%	74.8%	84.2%	59.9%	90.9%
Neurosurgery	1.1	1.5%	5.2	21.4%	19.6%	60.5%	88.8%	51.3%	13.3%
Ob/delivery	51.4	1.1%	2.1	65.2%	54.6%	66.7%	-	73.0%	95.1%
Oncology medical	0.9	1.4%	4.1	8.5%	46.0%	44.1%	90.6%	17.8%	25.0%
Open heart	1.7	1.5%	8.7	43.9%	54.9%	71.5%	100%	57.4%	100%
Ophthalmology	0.0	1.4%	2.0	50.0%	33.5%	22.2%	100%	18.2%	-
Orthopedics	6.5	1.4%	3.5	30.5%	35.9%	49.5%	82.2%	41.3%	26.1%
Other	0.0	1.4%	-	11.1%	40.0%	-	-	-	-
Other ob	3.1	1.1%	2.0	100%	45.2%	100%	-	56.5%	25.0%
Otolaryngology	0.4	1.4%	2.6	29.6%	39.8%	41.2%	85.7%	18.5%	16.7%
Psych/drug abuse	3.6	1.4%	3.7	94.5%	98.1%	92.4%	77.3%	47.6%	96.6%
Pulmonary	6.6	1.4%	3.9	23.7%	53.2%	62.5%	88.9%	42.4%	85.7%
Rheumatology	0.1	1.4%	3.1	100%	15.4%	63.2%	100%	33.3%	-
Thoracic surgery	1.2	1.5%	14.2	56.5%	59.3%	62.9%	100%	55.4%	22.2%
Trauma	0.5	1.4%	3.7	48.7%	54.5%	32.1%	30.0%	49.2%	40.0%
Urology	1.4	1.5%	2.5	43.8%	53.4%	33.0%	53.3%	30.8%	22.2%
Vascular surgery	0.9	1.4%	4.2	100%	65.6%	76.2%	81.8%	68.9%	-
Total	n/a	1.4%	3.6	58.3%	57.0%	62.6%	85.4%	52.1%	59.5%

Sources: FPSA OSHPD data provided by Client



Scenario 2: LOS adjustment to GMLOS in 3 years

Bed Need by Bed Type (1/3) | Additional beds are needed only in a few acute bed categories in this speculative scenario that models ALOS at the GMLOS

Med/Surg	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	71,641	74,193	79,275	72,605	65,418	57,836	59,779	61,389	62,753	64,204	65,678	67,234	68,816	78,779
Average daily census (Patient days/days of the year)	196	203	217	199	179	158	164	168	171	176	180	184	188	216
Existing beds	274	274	274	298	298	298	298	298	298	298	298	298	298	298
Needed bed space (85%)	231	240	256	235	211	187	193	198	202	207	212	217	222	254
(Deficit) / surplus	43	34	18	63	87	111	105	100	96	91	86	81	76	44

ICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	4,903	4,362	5,201	4,723	4,224	3,700	3,817	3,928	4,008	4,104	4,194	4,292	4,391	5,038
Average daily census (Patient days/days of the year)	13	12	14	13	12	10	10	11	11	11	11	12	12	14
Existing beds	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Needed bed space (75%)	18	16	19	18	16	14	14	15	15	15	16	16	16	19
(Deficit) / surplus	3	5	2	3	5	7	7	6	6	6	5	5	5	2

CVICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	2,018	1,972	2,211	2,118	2,005	1,870	1,949	2,022	2,067	2,114	2,167	2,220	2,282	2,632
Average daily census (Patient days/days of the year)	6	5	6	6	5	5	5	6	6	6	6	6	6	7
Existing beds	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Needed bed space (75%)	8	8	9	8	8	7	8	8	8	8	8	9	9	10
(Deficit) / surplus	12	12	11	12	12	13	12	12	12	12	12	11	11	10

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Scenario 2: LOS adjustment to GMLOS in 3 years

Bed Need by Bed Type (2/3) | Additional beds are needed only in a few acute bed categories in this speculative scenario that models ALOS at the GMLOS

Step-down	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	13,712	13,417	14,834	13,561	12,205	10,780	11,135	11,441	11,693	11,963	12,236	12,530	12,820	14,691
Average daily census (Patient days/days of the year)	37	37	41	37	33	30	31	31	32	33	34	34	35	40
Existing beds	31	31	31	31	31	31	31	31	31	31	31	31	31	31
Needed bed space (75%)	50	50	55	50	45	40	41	42	43	44	45	46	47	54
(Deficit) / surplus	(19)	(19)	(24)	(19)	(14)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(23)

Post-partum	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	8,794	9,238	9,439	9,649	9,891	10,162	10,473	10,693	10,926	11,173	11,433	11,710	12,000	13,421
Average daily census (Patient days/days of the year)	24	25	26	26	27	28	29	29	30	31	31	32	33	37
Existing beds	42	42	42	42	42	42	42	42	42	42	42	42	42	42
Needed bed space (80%)	31	32	33	34	34	35	36	37	38	39	40	41	41	46
(Deficit) / surplus	11	10	9	8	8	7	6	5	4	3	2	1	1	(4)

NICU	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	6,394	7,516	7,875	8,109	8,374	8,669	9,008	9,209	9,419	9,648	9,883	10,133	10,402	11,003
Average daily census (Patient days/days of the year)	17	21	22	22	23	24	25	25	26	26	27	28	28	30
Existing beds	15	15	15	23	23	23	23	23	23	23	23	23	23	23
Needed bed space (90%)	20	23	24	25	26	27	28	29	29	30	31	31	32	34
(Deficit) / surplus	(5)	(8)	(9)	(2)	(3)	(4)	(5)	(6)	(6)	(7)	(8)	(8)	(9)	(11)

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



Scenario 2: LOS adjustment to GMLOS in 3 years

Bed Need by Bed Type (3/3) | Additional beds are needed only in a few acute bed categories in this speculative scenario that models ALOS at the GMLOS

Rehab	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	7,130	8,310	8,698	7,617	6,442	5,170	5,399	5,605	5,739	5,881	6,025	6,183	6,337	7,254
Average daily census (Patient days/days of the year)	19	23	24	21	18	14	15	15	16	16	17	17	17	20
Existing beds	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Needed bed space (85%)	23	27	29	25	21	17	18	19	19	19	20	20	21	24
(Deficit) / surplus	22	18	16	20	24	28	27	26	26	26	25	25	24	21

Psych	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	14,037	13,547	15,171	12,336	9,566	6,904	6,842	6,837	6,850	6,851	6,849	6,860	6,878	7,864
Average daily census (Patient days/days of the year)	38	37	42	34	26	19	19	19	19	19	19	19	19	22
Existing beds	63	63	63	63	63	63	63	63	63	63	63	63	63	63
Needed bed space (85%)	46	44	49	40	31	23	23	23	23	23	23	23	23	26
(Deficit) / surplus	17	19	14	23	32	40	40	40	40	40	40	40	40	37

SNF	Actual		Projected											
	FY-16	FY-17	FY-18 ¹	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24	FY-25	FY-26	FY-27	FY-28	FY-38
Patient days	20,933	21,208	21,421	21,711	22,006	22,303	22,608	22,918	23,229	23,549	23,868	24,192	24,523	28,077
Average daily census (Patient days/days of the year)	57	58	59	59	60	61	62	63	63	65	65	66	67	77
Existing beds	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Needed bed space (85%)	68	69	70	70	71	72	73	74	75	76	77	78	79	91
(Deficit) / surplus	2	1	0	0	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(21)

Sources: FPSA OSHPD data provided by Client; Internal data provided by Client

Note: (1) FY-18 numbers are based on normalized YTD-18 (April-18).



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Interviewees

Physicians

Name

Sakona Seng, D.O.
Harry Lively, M.D.
Dr. Lori Winston
Abdolreza Saadabadi, M.D.
Seth Criner, D.O.
Ian Duncan, M.D.
Harjoth Malli, M.D.
Dave Hewitt, M.D.
Satish Kesavaramanujam, M.D.
Glade Roper, M.D.
Ashraf Ghaly, M.D.
Dr. Hipskind
Leheb Araim, M.D.

Title

- Medical Director of Emergency Medicine
- Medical Staff Officer- Cardiovascular Services
- Designated Institution Officer
- Medical Director of Psychiatry
- Orthopedic Surgery
- Orthopedic Surgery
- Medical Director Critical Care
- Medical Director of Pathology
- Surgical Services
- Radiology
- Medical Director Rehab Services
- Board Vice President
- Medical Director of Cardiovascular Surgery

Interviewees

Administrators

Name

Tom Siminski

Marc Mertz

Lawrence Headley

Gary Herbst

Dave Garrett

Ryan Gates

Julieta Moncada

James McNulty

Kari Knudsen

Regina Sawyer

Mary Laufer

Christine Aleman

Title

➤ Director of Emergency Services

➤ VP Business & Strategic Planning

➤ Director of Food & Nutrition Services

➤ Chief Executive Officer

➤ Director Outpatient Health Clinics

➤ Director of Population Health Management

➤ Director of Facilities Planning

➤ Director of Pharmacy

➤ Director of Post Surgical Care

➤ Chief Nursing Officer & Vice President

➤ Director of Mental Health Services

➤ Director Cardiovascular Operations

Interviewees

Administrators - Continued

<u>Name</u>	<u>Title</u>
John Leal	➤ Director Urgent Care Clinics
Jag Batth	➤ Director of Orthopedic Service Line
Jon Knudsen	➤ Director Renal/Oncology/Critical Care
Randy Kokka	➤ Director of Laboratory
Brian Piarcy	➤ Director of Surgical Services
Renee Lauck	➤ Director of Imaging & Radiation Services
Lisa Harrold	➤ Director Rehab & Skilled Services
Tom Rayner	➤ Chief Operating Officer & Senior Vice President
Jennifer Stockton	➤ Director of Finance
Barry Royce	➤ Director Cardiovascular Service Line & Co-Management Program

Interviewees

Board Members

Name

Nevin House

Lynn Havard Mirviss

Dave Frances

Herb Hawkins

Title

➤ **Board Treasurer**

➤ **Board President**

➤ **Board Member**

➤ **Board Member**

Interviewees

Others – Community Members

Name

Mike Williams

Title

➤ Contracted Facilities Advisor

M O R E T H A N M E D I C I N E . L I F E .

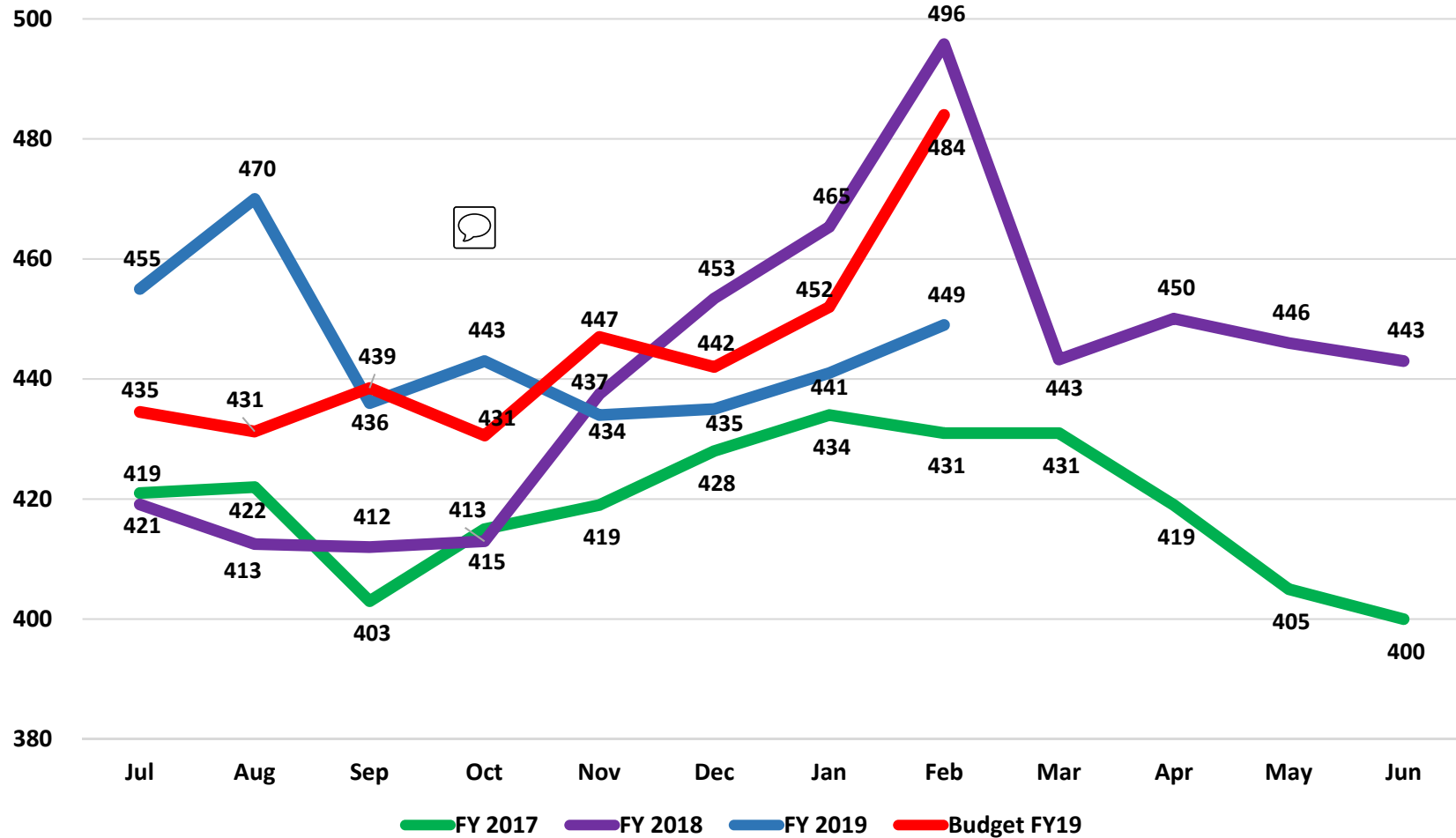
CFO Financial Report

March 25, 2019



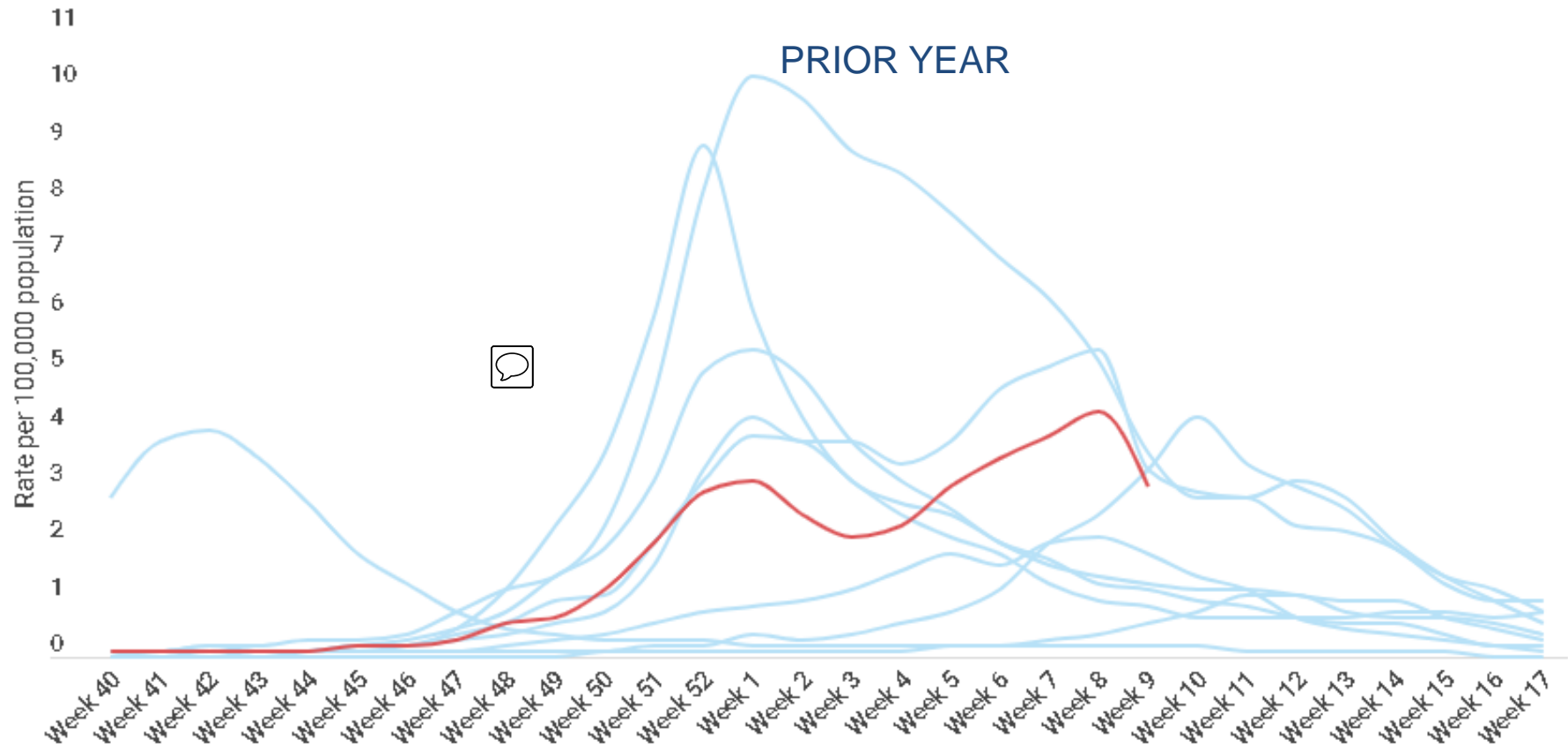
Kaweah Delta
HEALTH CARE DISTRICT

Average Daily Census



	<u>ADC</u>
FYTD 2017	3,373
FYTD 2018	3,509
FYTD 2019	3,563
Budget FYTD19	3,560

Influenza hospitalizations by flu season



Note: red line represents 2018-19 flu season

Source: CDC

Statistical Results – Fiscal Year Comparison (February)

Actual Results			Budget	Budget Variance	
Feb 2018	Feb 2019	% Change	Feb 2019	Change	% Change

Average Daily Census	496	449	(9.4%)	484	(35)	(7.2%)
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KDHCD Patient Days:

Medical Center	9,296	8,039	(13.5%)	8,708	(669)	(7.7%)
Acute I/P Psych	1,295	1,329	2.6%	1,448	(119)	(8.2%)
Sub-Acute	872	889	1.9%	944	(55)	(5.8%)
Rehab	569	559	(1.8%)	593	(34)	(5.7%)
TCS-Ortho	395	388	(1.8%)	369	19	5.1%
TCS	544	483	(11.2%)	549	(66)	(12.0%)
NICU	346	367	6.1%	381	(14)	(3.7%)
Nursery	565	530	(6.2%)	565	(35)	(6.2%)

Total KDHCD Patient Days	13,882	12,584	(9.4%)	13,557	(973)	(7.2%)
Total Outpatient Volume	11,290	11,227	(0.6%)	12,331	(1,103)	(8.9%)

Statistical Results – Fiscal Year Comparison (Jul-Feb)

	Actual Results			Budget	Budget Variance	
	FY 2018	FY 2019	% Change	FY 2019	Change	% Change
Average Daily Census	438	445	1.6%	445	0.8	0.2%
KDHCD Patient Days:						
Medical Center	68,610	70,061	2.1%	68,928	1,133	1.6%
Acute I/P Psych	11,373	11,417	0.4%	11,587	(170)	(1.5%)
Sub-Acute	7,544	7,516	(0.4%)	7,552	(36)	(0.5%)
Rehab	4,550	4,319	(5.1%)	4,746	(427)	(9.0%)
TCS-Ortho	3,010	3,010	0.0%	2,959	51	1.7%
TCS	3,994	3,709	(7.1%)	4,392	(683)	(15.6%)
NICU	2,679	3,573	33.4%	3,201	372	11.6%
Nursery	4,669	4,621	(1.0%)	4,677	(56)	(1.2%)
Total KDHCD Patient Days	106,429	108,226	1.7%	108,042	184	0.2%
Total Outpatient Volume	96,554	95,324	(1.3%)	101,512	(6,188)	(6.1%)

Other Statistical Results – Fiscal Year Comparison (February)

	Feb 2018	Feb 2019	Change	% Change
Adjusted Patient Days	25,172	23,811	(1,361)	(5.4%)
Surgery Cases (I/P & O/P)	698	829	230	18.8%
Home Health Visits	2,282	2,676	394	17.3%
Therapy Units provided at Outpatient Locations	17,520	19,590	2,070	11.8%
KDMF Work RVU's	26,509	29,112	2,603	9.8%
Urgent Care Visits	5,757	6,300	543	9.4%
Dialysis Treatments	1,745	1,902	157	9.0%
Therapy Units provided at Inpatient Locations	16,775	16,915	140	0.8%
Cardiac Surgery Cases	36	36	0	0%
OB Deliveries	376	365	(11)	(2.9%)
Radiology/CAT/US/MRI Proc (I/P & O/P)	14,885	14,040	(845)	(5.7%)
Hospice Days	3,250	3,034	(216)	(6.6%)
ED Visit	7,286	6,745	(541)	(7.4%)
Cath/Spec/Pace Procedures (I/P & O/P)	1,029	939	(90)	(8.7%)
GME Clinic visits	1,023	904	(119)	(11.6%)
Endoscopy Procedures (I/P & O/P)	536	472	(64)	(11.9%)
Radiation Oncology Treatments (I/P & O/P)	2,120	1,774	(346)	(16.3%)
Home Infusion Days	10,945	9,059	(1,886)	(17.2%)
Rural Health Clinic visits	14,652	7,217	(7,435)	(50.7%)

Other Statistical Results – Fiscal Year Comparison (Jul-Feb)

	FY 2018	FY 2019	Change	% Change
Adjusted Patient Days	202,983	203,550	567	0.3%
Surgery Cases (I/P & O/P)	6,164	6,685	521	20.7%
KDMF Work RVU's	212,055	236,657	24,602	11.6%
Therapy Units provided at Inpatient Locations	129,389	138,901	9,512	7.4%
Cardiac Surgery Cases	272	291	19	7.0%
Dialysis Treatments	14,550	15,445	895	6.2%
Home Health Visits	20,138	21,099	961	4.8%
Therapy Units provided at Outpatient Locations	148,389	155,267	6,878	4.6%
GME Clinic visits	7,474	7,790	316	4.2%
Urgent Care Visits	43,230	45,002	1,772	4.1%
OB Deliveries	3,171	3,278	107	3.4%
Radiology/CAT/US/MRI Proc (I/P & O/P)	119,258	120,728	1,470	1.2%
Cath/Spec/Pace Procedures (I/P & O/P)	8,731	8,710	(21)	(0.2%)
Home Infusion Days	91,720	87,454	(4,266)	(4.7%)
Hospice Days	27,833	25,945	(1,888)	(6.8%)
ED Visit	60,179	55,481	(4,698)	(7.8%)
Endoscopy Procedures (I/P & O/P)	4,270	3,708	(562)	(13.2%)
Radiation Oncology Treatments (I/P & O/P)	19,576	15,617	(3,959)	(20.2%)
Rural Health Clinic visits	94,769	64,690	(30,079)	(31.7%)



February Financial Comparison (000's)

	Actual Results			Budget	Budget Variance	
	Feb-18	Feb-19	% Change	Feb-19	Change	% Change
Operating Revenue						
Net patient service revenue	\$46,363	\$45,261	(2.4%)	\$50,591	(\$5,330)	(10.5%)
Supplemental Gov't Programs	2,656	6,637	149.9%	3,608	3,029	83.9%
Prime Program	230	604	163.3%	997	(393)	(39.4%)
Premium revenue	3,272	3,672	12.2%	3,264	408	12.5%
Management services revenue	2,122	2,534	19.4%	2,245	289	12.9%
Other Revenue	1,301	1,886	45.0%	1,395	491	35.2%
Other operating revenue	9,581	15,333	60.0%	11,510	3,824	33.2%
Total Operating Revenue	55,944	60,594	8.3%	62,101	(1,506)	(2.4%)
Operating Expenses						
Salaries and wages	20,945	22,206	6.0%	23,176	(970)	(4.2%)
Contract labor	781	1,473	88.6%	317	1,156	364.2%
Employee benefits	6,527	6,571	0.7%	5,580	990	17.7%
Total Employment Expenses	28,254	30,249	7.1%	29,073	1,176	4.0%
Medical and other supplies	9,212	9,473	2.8%	9,533	(60)	(0.6%)
Physician fees	6,600	6,989	5.9%	6,879	110	1.6%
Purchased services	2,679	2,660	(0.7%)	2,988	(328)	(11.0%)
Repairs and maintenance	1,900	2,484	30.7%	2,107	376	17.8%
Utilities	429	515	20.1%	451	65	14.4%
Rents and leases	470	417	(11.2%)	544	(127)	(23.3%)
Depreciation and amortization	1,990	2,542	27.7%	2,756	(214)	(7.8%)
Interest Expense	344	461	34.1%	501	(39)	(7.8%)
Other Expenses	1,270	1,738	36.9%	1,641	97	5.9%
Management Services Expenses	2,054	2,462	19.9%	2,205	257	11.7%
Total Operating Expenses	55,202	59,991	8.7%	58,677	1,313	2.2%
Operating Margin	\$742	\$603	(18.7%)	\$3,423	(\$2,820)	(82.4%)
Nonoperating Revenue	666	565	(15.1%)	473	92	19.4%
Excess Margin	\$1,408	\$1,168	(17.0%)	\$3,896	(\$2,728)	(70.0%)

Operating Margin %	1.3%	1.0%	5.5%
Excess Margin %	2.5%	1.9%	6.3%

Fiscal Year Financial Comparison (000's)

	Actual Results FYTD Jul-Feb			Budget FYTD	Budget Variance FYTD	
	FY18	FY19	% Change	FY19	Change	% Change
Operating Revenue:						
Net patient service revenue	\$377,924	\$373,810	(1.1%)	\$399,593	(\$25,783)	(6.5%)
Supplemental Gov't Programs	21,247	40,166	89.0%	28,867	11,299	39.1%
Prime Program	12,934	10,424	(19.4%)	7,976	2,448	30.7%
Premium revenue	20,847	25,094	20.4%	22,876	2,217	9.7%
Management services revenue	18,999	20,995	10.5%	19,485	1,510	7.7%
Other Revenue	11,764	16,095	36.8%	12,186	3,910	32.1%
Other operating revenue	85,790	112,775	31.5%	91,390	21,385	23.4%
Total Operating Revenue	463,715	486,585	4.9%	490,983	(4,398)	(0.9%)
Operating Expenses:						
Salaries and wages	175,272	190,438	8.7%	190,635	(197)	(0.1%)
Contract labor	5,064	10,286	103.1%	2,428	7,858	323.6%
Employee benefits	46,789	50,428	7.8%	48,443	1,986	4.1%
Total Employment Expenses	227,125	251,153	10.6%	241,505	9,647	4.0%
Medical and other supplies	73,850	77,844	5.4%	75,173	2,671	3.6%
Physician fees	47,721	55,583	16.5%	54,981	601	1.1%
Purchased services	22,969	23,187	1.0%	23,162	25	0.1%
Repairs and maintenance	15,608	17,163	10.0%	17,043	120	0.7%
Utilities	3,940	3,945	0.1%	3,911	34	0.9%
Rents and leases	3,750	3,957	5.5%	4,353	(395)	(9.1%)
Depreciation and amortization	15,933	20,167	26.6%	21,403	(1,236)	(5.8%)
Interest Expense	3,200	3,635	13.6%	4,005	(370)	(9.2%)
Other Expenses	11,484	12,492	8.8%	14,240	(1,748)	(12.3%)
Management Services Expenses	18,617	20,580	10.5%	19,134	1,446	7.6%
Total Operating Expenses	444,197	489,707	10.2%	478,910	10,796	2.3%
Operating Margin	\$19,517	(\$3,122)	(116.0%)	\$12,073	(\$15,195)	(125.9%)
Nonoperating Revenue	3,680	4,227	14.9%	4,054	173	4.3%
Excess Margin	\$23,197	\$1,105	(95.2%)	\$16,126	(\$15,021)	(93.1%)

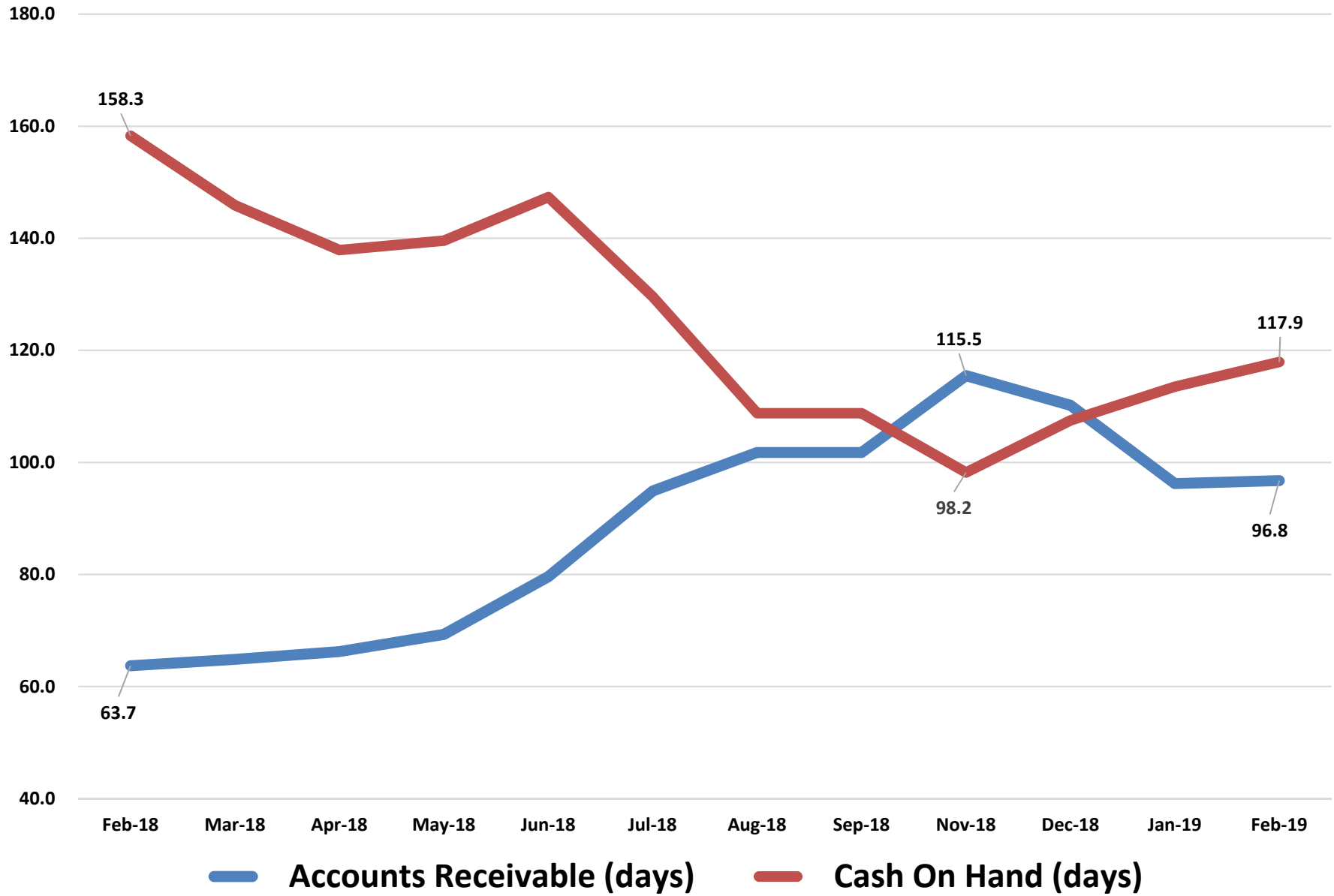
Operating Margin %	4.2%	(0.6%)		2.5%
Excess Margin %	5.0%	0.2%		3.3%

Kaweah Delta Medical Foundation

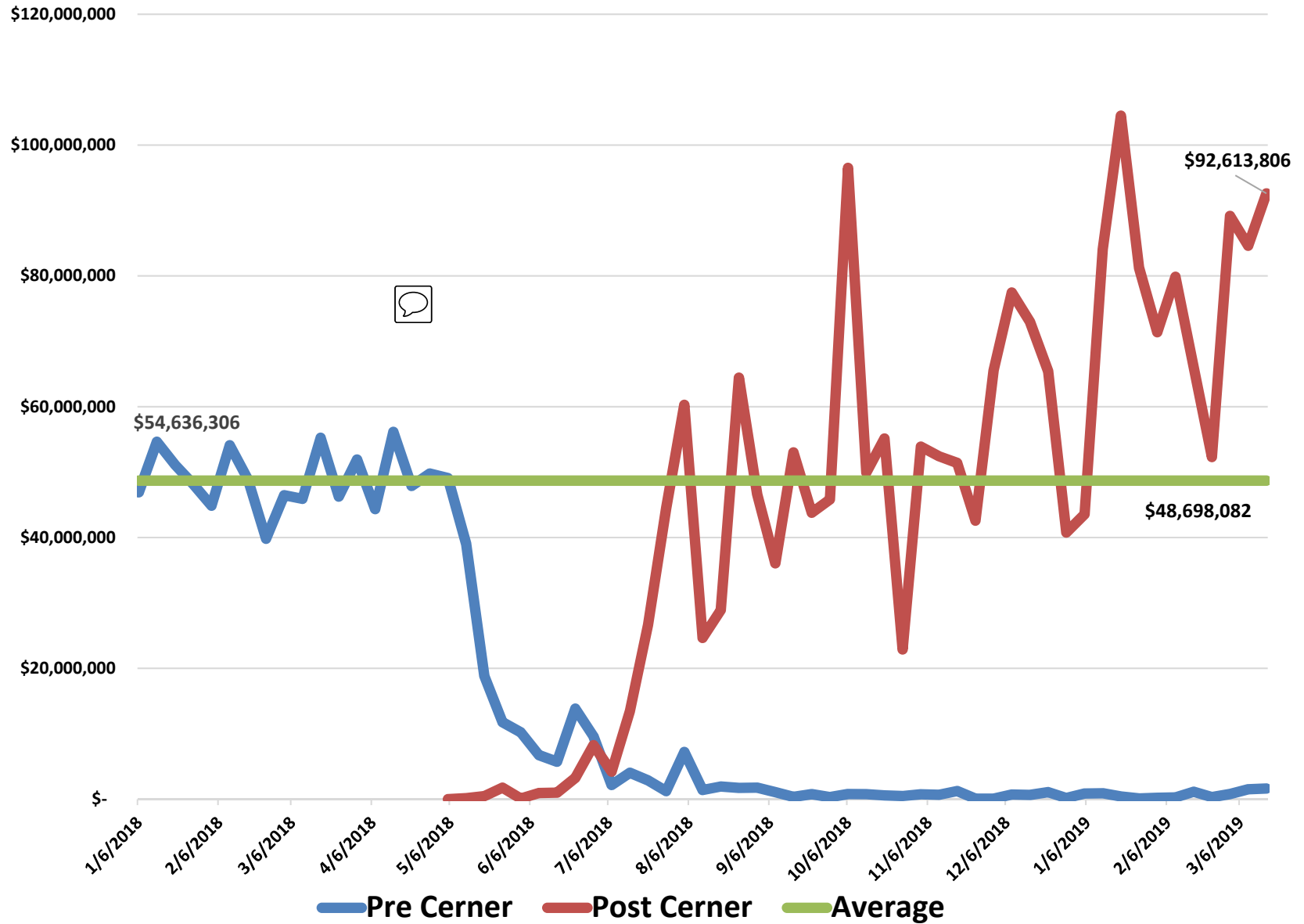
Fiscal Year Financial Comparison (000's)

	Actual Results FYTD Jul-Feb			Budget FYTD	Budget Variance FYTD	
	2018	2019	% Change	2019	Change	% Change
Operating Revenue:						
Net patient service revenue	\$26,075	\$28,653	9.9%	\$30,482	(\$1,829)	(6.0%)
Other Revenue	277	425	53.3%	278	148	53.2%
Other operating revenue	277	425	53.3%	278	148	53.2%
Total Operating Revenue	26,352	29,078	10.3%	30,759	(1,681)	(5.5%)
Operating Expenses:						
Salaries and wages	6,598	7,628	15.6%	7,606	21	0.3%
Contract labor	13	101	671.2%	0	101	0.0%
Employee benefits	1,747	1,891	8.3%	1,933	(42)	(2.2%)
Total Employment Expenses	8,357	9,619	15.1%	9,539	80	0.8%
Medical and other supplies	3,316	3,920	18.2%	3,899	21	0.6%
Physician fees	12,841	14,459	12.6%	15,170	(712)	(4.7%)
Purchased services	879	804	(8.5%)	910	(107)	(11.7%)
Repairs and maintenance	1,261	1,283	1.7%	1,370	(87)	(6.3%)
Utilities	267	291	8.8%	305	(14)	(4.6%)
Rents and leases	1,644	1,765	7.3%	1,939	(174)	(9.0%)
Depreciation and amortization	755	792	4.8%	691	100	14.5%
Interest Expense	22	16	(26.6%)	25	(9)	(36.6%)
Other Expenses	815	1,030	26.3%	838	192	22.9%
Total Operating Expenses	30,158	33,978	12.7%	34,686	(708)	(2.0%)
Excess Margin	(\$3,806)	(\$4,900)	28.7%	(\$3,927)	(\$973)	(24.8%)
Excess Margin %	(14.4%)	(16.8%)		(12.8%)		

Liquidity Ratios



Billed Claims \$\$ - Pre and Post Cerber



KAWEAH DELTA HEALTH CARE DISTRICT

RATIO ANALYSIS REPORT

FEBRUARY 28, 2019

	Current	Prior	June 30,	2017 Moody's		
	Month	Month	2018	Median Benchmark		
	Value	Value	Audited	Aa	A	Baa
LIQUIDITY RATIOS						
Current Ratio (x)	2.7	3.2	2.0	1.7	1.9	2.1
Accounts Receivable (days)	96.8	96.2	79.6	48.4	48.4	46.5
Cash On Hand (days)	117.9	113.5	147.3	264.6	226.5	156.5
Cushion Ratio (x)	15.5	14.9	18.2	36.6	23.9	13.8
Average Payment Period (days)	48.1	38.4	52.6	75.0	59.6	59.6
CAPITAL STRUCTURE RATIOS						
Cash-to-Debt	98.2%	93.6%	114.2%	217.6%	169.6%	111.7%
Debt-To-Capitalization	32.8%	32.9%	33.6%	26.0%	32.9%	39.3%
Debt-to-Cash Flow (x)	6.4	6.8	4.5	2.2	3.0	4.5
Debt Service Coverage	2.3	2.2	3.5	7.1	5.4	3.0
Maximum Annual Debt Service Coverage (x)	2.3	2.2	3.6	6.4	4.7	2.8
Age Of Plant (years)	11.9	12.0	13.3	10.1	11.6	12.1
PROFITABILITY RATIOS						
Operating Margin	(.6%)	(.9%)	3.3%	3.5%	2.3%	(.4%)
Excess Margin	0.2%	(.0%)	3.6%	6.6%	5.2%	1.9%
Operating Cash Flow Margin	4.2%	4.0%	7.6%	9.2%	8.6%	6.0%
Return on Assets	0.2%	(.0%)	3.1%	5.3%	4.0%	1.7%

KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED INCOME STATEMENT (000's)
FISCAL YEAR 2018 & 2019

Fiscal Year	Operating Revenue			Operating Expenses				Operating Expenses Total	Operating Income	Non-Operating Income	Net Income	Operating Margin %	Excess Margin
	Net Patient Revenue	Other Operating Revenue	Operating Revenue Total	Personnel Expense	Physician Fees	Supplies Expense	Other Operating Expense						
2018													
Jul-17	45,574	9,538	55,112	27,540	5,046	8,360	11,461	52,407	2,705	492	3,197	4.9%	5.8%
Aug-17	45,582	10,283	55,865	27,549	5,506	8,905	12,236	54,197	1,669	462	2,131	3.0%	3.8%
Sep-17	43,354	10,246	53,599	27,950	5,505	8,372	11,751	53,577	22	855	877	0.0%	1.6%
Oct-17	46,452	17,695	64,146	29,020	6,309	8,908	12,147	56,384	7,762	378	8,140	12.1%	12.7%
Nov-17	50,375	9,591	59,965	29,430	6,430	9,654	12,441	57,955	2,010	541	2,551	3.4%	4.3%
Dec-17	49,412	8,979	58,391	27,470	6,035	9,768	12,155	55,428	2,963	(326)	2,637	5.1%	4.5%
Jan-18	50,813	9,879	60,692	29,912	6,289	10,672	12,175	59,047	1,645	612	2,256	2.7%	3.7%
Feb-18	46,636	9,308	55,944	28,254	6,600	9,212	11,136	55,202	742	666	1,408	1.3%	2.5%
Mar-18	49,209	10,487	59,696	32,141	7,348	9,693	13,554	62,736	(3,040)	(1,621)	(4,660)	(5.1%)	(7.8%)
Apr-18	45,936	13,610	59,546	30,332	6,715	8,948	13,107	59,103	443	583	1,026	0.7%	1.7%
May-18	48,498	9,700	58,198	28,849	6,939	9,240	14,847	59,875	(1,677)	562	(1,115)	(2.9%)	(1.9%)
Jun-18	46,257	24,860	71,116	31,029	6,325	8,658	16,702	62,713	8,403	502	8,905	11.8%	12.5%
2018 FY Total	\$ 568,097	\$ 144,175	\$ 712,272	\$ 349,476	\$ 75,049	\$ 110,389	\$ 153,711	\$ 688,624	\$ 23,647	\$ 3,706	\$ 27,353	3.3%	3.8%
2019													
Jul-18	49,124	11,390	60,514	30,147	6,300	9,585	12,701	58,733	1,781	434	2,215	2.9%	3.7%
Aug-18	52,124	11,471	63,594	31,602	7,668	10,624	12,980	62,874	721	451	1,171	1.1%	1.8%
Sep-18	46,634	11,659	58,293	29,835	6,524	8,862	13,361	58,582	(289)	912	624	(0.5%)	1.1%
Oct-18	48,769	11,646	60,414	32,849	7,145	9,867	13,066	62,927	(2,513)	343	(2,169)	(4.2%)	(3.6%)
Nov-18	43,870	18,365	62,235	31,066	7,310	10,195	13,900	62,470	(235)	449	214	(0.4%)	0.3%
Dec-18	43,717	14,732	58,449	31,115	7,023	10,329	12,736	61,202	(2,753)	613	(2,140)	(4.7%)	(3.7%)
Jan-19	44,312	18,178	62,489	34,290	6,624	8,909	13,104	62,927	(438)	460	22	(0.7%)	0.0%
Feb-19	45,261	15,334	60,595	30,249	6,989	9,473	13,280	59,991	604	565	1,169	1.0%	1.9%
2019 FY Total	\$ 373,810	\$ 112,775	\$ 486,585	\$ 251,153	\$ 55,583	\$ 77,844	\$ 105,127	\$ 489,707	\$ (3,122)	\$ 4,227	\$ 1,105	(0.6%)	0.2%
FYTD Budget	399,593	91,390	490,983	241,505	54,981	75,173	107,250	478,910	12,073	4,054	16,126	2.5%	3.3%
Variance	\$ (25,783)	\$ 21,385	\$ (4,398)	\$ 9,647	\$ 601	\$ 2,671	\$ (2,123)	\$ 10,796	\$ (15,195)	\$ 173	\$ (15,021)		
Current Month Analysis													
Feb-19	\$ 45,261	\$ 15,334	\$ 60,595	\$ 30,249	\$ 6,989	\$ 9,473	\$ 13,280	\$ 59,991	\$ 604	\$ 565	\$ 1,169	1.0%	1.9%
Budget	50,591	11,510	62,101	29,073	6,879	9,533	13,193	58,677	3,423	473	3,896	5.5%	6.3%
Variance	\$ (5,330)	\$ 3,824	\$ (1,506)	\$ 1,176	\$ 110	\$ (60)	\$ 87	\$ 1,313	\$ (2,819)	\$ 92	\$ (2,728)		

KAWEAH DELTA HEALTH CARE DISTRICT


FISCAL YEAR 2018 & 2019

Fiscal Year	Patient Days	ADC	Adjusted	I/P	DFR &	Net Patient	Personnel	Physician	Supply	Total	Personnel	Physician	Supply	Total
			Patient Days	Revenue %	Bad Debt %	Revenue/Adjusted Patient Day	Expense/Adjusted Patient Day	Fees/Adjusted Patient Day	Expense/Adjusted Patient Day	Expense/Adjusted Patient Day	Expense/Adjusted Patient Day	Net Patient Revenue	Net Patient Revenue	Net Patient Revenue
2018														
Jul-17	12,992	419	25,148	51.7%	72.8%	1,812	1,095	201	332	2,084	60.4%	11.1%	18.3%	115.0%
Aug-17	12,788	413	25,508	50.1%	73.9%	1,787	1,080	216	349	2,125	60.4%	12.1%	19.5%	118.9%
Sep-17	12,360	412	24,864	49.7%	72.9%	1,744	1,124	221	337	2,155	64.5%	12.7%	19.3%	123.6%
Oct-17	12,802	413	25,261	50.7%	73.8%	1,839	1,149	250	353	2,232	62.5%	13.6%	19.2%	121.4%
Nov-17	13,124	437	24,731	53.1%	71.6%	2,037	1,190	260	390	2,343	58.4%	12.8%	19.2%	115.0%
Dec-17	14,056	453	25,502	55.1%	73.4%	1,938	1,077	237	383	2,173	55.6%	12.2%	19.8%	112.2%
Jan-18	14,425	465	26,797	53.8%	73.4%	1,896	1,116	235	398	2,204	58.9%	12.4%	21.0%	116.2%
Feb-18	13,882	496	25,172	55.1%	73.2%	1,853	1,122	262	366	2,193	60.6%	14.2%	19.8%	118.4%
Mar-18	13,741	443	25,441	54.0%	73.9%	1,934	1,263	289	381	2,466	65.3%	14.9%	19.7%	127.5%
Apr-18	13,502	450	25,380	53.2%	74.4%	1,810	1,195	265	353	2,329	66.0%	14.6%	19.5%	128.7%
May-18	13,824	446	26,770	51.6%	73.6%	1,812	1,078	259	345	2,237	59.5%	14.3%	19.1%	123.5%
Jun-18	13,238	441	24,831	53.3%	72.3%	1,863	1,250	255	349	2,526	67.1%	13.7%	18.7%	135.6%
2018 FY Total	160,734	440	305,158	52.7%	73.3%	1,862	1,145	246	362	2,257	61.5%	13.2%	19.4%	121.2%
2019														
Jul-18	14,096	455	26,287	53.6%	72.4%	1,869	1,147	240	365	2,234	61.4%	12.8%	19.5%	119.6%
Aug-18	14,569	470	28,016	52.0%	76.0%	1,861	1,128	274	379	2,244	60.6%	14.7%	20.4%	120.6%
Sep-18	13,052	435	24,371	53.6%	73.5%	1,914	1,224	268	364	2,404	64.0%	14.0%	19.0%	125.6%
Oct-18	13,744	443	25,579	53.7%	73.5%	1,907	1,284	279	386	2,460	67.4%	14.7%	20.2%	129.0%
Nov-18	13,013	434	23,625	55.1%	74.9%	1,857	1,315	309	432	2,644	70.8%	16.7%	23.2%	142.4%
Dec-18	13,497	435	25,399	53.1%	76.2%	1,721	1,225	277	407	2,410	71.2%	16.1%	23.6%	140.0%
Jan-19	13,671	441	26,407	51.8%	76.9%	1,678	1,299	251	337	2,383	77.4%	14.9%	20.1%	142.0%
Feb-19	12,584	449	23,811	52.8%	75.9%	1,901	1,270	294	398	2,519	66.8%	15.4%	20.9%	132.5%
2019 FY Total	108,226	445	203,550	53.2%	75.0%	1,836	1,234	273	382	2,406	67.2%	14.9%	20.8%	131.0%
FYTD Budget	108,042	445	209,554	51.6%	72.5%	1,907	1,152	262	359	2,353	60.4%	13.8%	18.8%	119.8%
Variance	184	1	(6,004)	1.6%	2.5%	(70)	81	11	24	53	6.7%	1.1%	2.0%	11.2%
Current Month Analysis														
Feb-19	12,584	449	23,811	52.8%	75.9%	1,901	1,270	294	398	2,519	66.8%	15.4%	20.9%	132.5%
Budget	13,557	484	25,888	52.4%	72.6%	1,954	1,123	266	368	2,464	57.5%	13.6%	18.8%	116.0%
Variance	(973)	(35)	(2,076)	0.5%	3.3%	(53)	147	28	30	55	9.4%	1.8%	2.1%	16.6%

KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION

	Feb-19	Jan-19	Change	% Change	Jun-18
					(Audited)
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 11,092	\$ 8,722	\$ 2,370	27.17%	\$ 5,325
Current Portion of Board designated and trusted assets	16,102	15,031	1,071	7.13%	12,643
Accounts receivable:					
Net patient accounts	167,077	158,504	8,573	5.41%	138,502
Other receivables	12,906	10,369	2,537	24.47%	7,863
	179,983	168,873	11,110	6.58%	146,365
Inventories	8,577	8,532	45	0.53%	8,408
Medicare and Medi-Cal settlements	31,445	32,503	(1,058)	-3.26%	20,088
Prepaid expenses	11,710	11,004	706	6.41%	10,967
Total current assets	258,909	244,665	14,244	5.82%	203,796
NON-CURRENT CASH AND INVESTMENTS - less current portion					
Board designated cash and assets	225,507	217,438	8,069	3.71%	272,414
Revenue bond assets held in trust	37,874	39,596	(1,722)	-4.35%	57,845
Assets in self-insurance trust fund	4,630	4,625	5	0.10%	4,607
Total non-current cash and investments	268,011	261,660	6,352	2.43%	334,866
CAPITAL ASSETS					
Land	15,988	15,988	-	0.00%	15,869
Buildings and improvements	353,106	352,721	386	0.11%	343,422
Equipment	270,724	269,644	1,080	0.40%	265,819
Construction in progress	37,480	34,945	2,535	7.26%	25,196
	677,298	673,298	4,000	0.59%	650,306
Less accumulated depreciation	347,125	344,654	2,471	0.72%	328,323
	330,173	328,644	1,529	0.47%	321,983
Property under capital leases - less accumulated amortization	3,201	3,277	(76)	-2.31%	4,123
Total capital assets	333,374	331,921	1,453	0.44%	326,106
OTHER ASSETS					
Property not used in operations	3,748	3,754	(6)	-0.16%	3,796
Health-related investments	7,790	7,783	7	0.09%	6,252
Other	8,482	9,064	(582)	-6.42%	8,337
Total other assets	20,020	20,601	(581)	-2.82%	18,385
Total assets	880,314	858,846	21,468	2.50%	883,154
DEFERRED OUTFLOWS	3,040	3,078	(38)	-1.23%	3,344
Total assets and deferred outflows	\$ 883,354	\$ 861,924	\$ 21,430	2.49%	\$ 886,498

KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION

	Feb-19	Jan-19	Change	% Change	Jun-18 (Audited)
LIABILITIES AND NET ASSETS 					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 31,466	\$ 13,000	\$ 18,466	142.04%	\$ 44,529
Accrued payroll and related liabilities	57,327	54,838	2,489	4.54%	46,064
Long-term debt, current portion	8,822	8,822	-	0.00%	8,976
Total current liabilities	97,615	76,660	20,955	27.33%	99,569
LONG-TERM DEBT, less current portion					
Bonds payable	264,644	264,701	(57)	-0.02%	266,631
Capital leases	488	698	(210)	-30.05%	2,156
Total long-term debt	265,133	265,400	(267)	-0.10%	268,787
NET PENSION LIABILITY	38,698	38,973	(276)	-0.71%	40,902
OTHER LONG-TERM LIABILITIES	29,796	29,974	(178)	-0.59%	26,768
Total liabilities	431,242	411,008	20,234		436,026
NET ASSETS					
Invested in capital assets, net of related debt	101,013	101,049	(35)	-0.03%	110,175
Restricted	32,031	30,773	1,258	4.09%	29,668
Unrestricted	319,068	319,095	(27)	-0.01%	310,627
Total net position	452,113	450,916	1,196	0.27%	450,471
Total liabilities and net position	\$ 883,354	\$ 861,924	\$ 21,430	2.49%	\$ 886,498

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

Board designated funds	Maturity Date	Yield	Investment Type	G/L Account	Amount	Total
LAIF		2.39	Various		44,720,465	
Cal Trust		2.33	Cal Trust		16,250,726	
CAMP		2.64	CAMP		39,510	
Wells Cap		0.02	Money market		1,216,175	
PFM		0.02	Money market		688,883	
Torrey Pines Bank	5-Mar-19	0.40	CD	Torrey Pines Bank	3,018,088	
PFM	3-May-19	2.05	CD	Sumito MTSU	820,000	
PFM	2-Aug-19	1.84	CD	Skandin Ens CD	2,000,000	
Wells Cap	12-Sep-19	1.13	Supra-National Age Intl Bk		1,900,000	
PFM	25-Sep-19	1.65	ABS	FNMA	47,854	
Wells Cap	30-Sep-19	1.20	Supra-National Age Intl Bk		1,500,000	
PFM	7-Feb-20	2.67	CD	Credit Suisse	750,000	
PFM	20-Feb-20	2.72	CD	Nordea Bank	1,800,000	
PFM	15-Mar-20	1.57	ABS	Ally Auto	48,324	
PFM	16-Mar-20	1.51	ABS	Nissan Auto	826	
PFM	10-Apr-20	2.74	CD	Canadian C D	1,400,000	
Wells Cap	1-May-20	2.20	MTN-C	E I DU PONT DE	500,000	
Wells Cap	8-May-20	1.55	U.S. Govt Agency	FFCB	1,050,000	
Wells Cap	31-May-20	1.50	U.S. Govt Agency	US Treasury Bill	345,000	
PFM	5-Jun-20	3.08	CD	Bank of Nova	1,600,000	
PFM	5-Jun-20	1.80	MTN-C	Home Depot Inc	425,000	
PFM	15-Jun-20	1.25	ABS	John Deere	46,249	
Wells Cap	15-Jun-20	1.50	U.S. Govt Agency	US Treasury Bill	1,000,000	
PFM	22-Jun-20	1.95	MTN-C	John Deere	200,000	
PFM	23-Jun-20	1.41	MTN-C	JP Morgan	1,000,000	
Wells Cap	29-Jun-20	2.63	MTN-C	BB T Corp	1,280,000	
PFM	20-Jul-20	2.00	MTN-C	American Honda Mtn	420,000	
PFM	22-Jul-20	1.41	MTN-C	Wells Fargo Company	1,150,000	
PFM	3-Aug-20	2.05	CD	Westpac Bking CD	1,570,000	
Wells Cap	18-Aug-20	2.55	MTN-C	State Street Corp	830,000	
Wells Cap	31-Aug-20	1.38	U.S. Govt Agency	US Treasury Bill	1,055,000	
PFM	4-Sep-20	1.85	MTN-C	Caterpillar Finl Mtn	670,000	
PFM	4-Sep-20	1.63	Supra-National Age Intl BK		1,250,000	
PFM	12-Sep-20	1.56	Supra-National Age Intl Bk		1,750,000	
PFM	15-Sep-20	1.56	ABS	Hyundai Auto	48,441	
Wells Cap	15-Sep-20	2.25	MTN-C	Automatic Data	800,000	
Wells Cap	15-Sep-20	2.75	MTN-C	Goldman Sachs	350,000	
Wells Cap	30-Sep-20	1.38	U.S. Govt Agency	US Treasury Bill	400,000	
Wells Cap	30-Sep-20	1.50	U.S. Govt Agency	US Treasury Bill	1,500,000	
Wells Cap	15-Oct-20	1.95	MTN-C	Unitedhealth Group	595,000	
PFM	16-Oct-20	3.39	CD	Sumito MTSU	805,000	
Wells Cap	26-Oct-20	1.75	U.S. Govt Agency	FFCB	1,400,000	
Wells Cap	31-Oct-20	1.25	U.S. Govt Agency	US Treasury Bill	400,000	
PFM	13-Nov-20	2.00	MTN-C	Apple, Inc	900,000	
PFM	16-Nov-20	2.27	CD	Swedbank	1,800,000	
Wells Cap	25-Nov-20	1.16	ABS	BMW Vehicle Owner	334,947	
Wells Cap	30-Nov-20	1.63	U.S. Govt Agency	US Treasury Bill	150,000	
Wells Cap	14-Dec-20	2.20	MTN-C	Visa Inc	700,000	
Wells Cap	14-Dec-20	2.20	MTN-C	Visa Inc	400,000	
PFM	15-Dec-20	2.13	Supra-National Age Inter Amer Dev Bk		1,800,000	
Wells Cap	18-Dec-20	1.47	ABS	Honda Auto	390,212	
Wells Cap	31-Dec-20	1.63	U.S. Govt Agency	US Treasury Bill	600,000	
PFM	8-Jan-21	2.35	MTN-C	John Deere	750,000	
PFM	20-Jan-21	1.80	MTN-C	IBM	900,000	
Wells Cap	25-Jan-21	2.25	Supra-National Age Intl Bk		750,000	
PFM	16-Feb-21	1.73	ABS	Toyota Auto Recvcs	170,824	
Wells Cap	18-Feb-21	1.38	U.S. Govt Agency	FHLB	980,000	
Wells Cap	23-Feb-21	2.25	MTN-C	Apple, Inc	615,000	
Wells Cap	28-Feb-21	1.13	U.S. Govt Agency	US Treasury Bill	700,000	
PFM	12-Mar-21	2.75	MTN-C	Texas Instruments	180,000	
Wells Cap	12-Mar-21	2.75	MTN-C	Texas Instruments	630,000	
Wells Cap	15-Mar-21	1.71	ABS	Smart Trust	774,255	
Wells Cap	31-Mar-21	1.25	U.S. Govt Agency	US Treasury Bill	935,000	
PFM	1-Apr-21	2.80	Municipal	California ST	530,000	
Wells Cap	1-Apr-21	2.63	Municipal	California ST High	1,250,000	
Wells Cap	1-Apr-21	3.54	Municipal	Sacramento Ca Public	1,200,000	
Wells Cap	13-Apr-21	2.95	MTN-C	Toyota Motor	600,000	
PFM	15-Apr-21	2.50	MTN-C	Bank of NY	900,000	
PFM	15-Apr-21	1.29	ABS	Hyundai Auto	304,670	
Wells Cap	19-Apr-21	2.63	MTN-C	Bank of America	435,000	

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

PFM	21-Apr-21	2.50	MTN-C	Morgan Stanley	450,000
PFM	21-Apr-21	2.50	MTN-C	Morgan Stanley	450,000
Wells Cap	21-Apr-21	2.50	MTN-C	Morgan Stanley	750,000
Wells Cap	29-Apr-21	2.15	MTN-C	PNC Bank	400,000
Wells Cap	30-Apr-21	1.38	U.S. Govt Agency	US Treasury Bill	875,000
PFM	5-May-21	2.25	MTN-C	American Express	450,000
Wells Cap	6-May-21	1.25	U.S. Govt Agency	FNMA	700,000
PFM	10-May-21	2.05	MTN-C	BB T Corp	450,000
Wells Cap	17-May-21	1.70	ABS	USAA Auto Owner	333,505
PFM	19-May-21	1.95	MTN-C	State Street Corp	245,000
PFM	24-May-21	4.13	MTN-C	US Bancorp	900,000
Wells Cap	7-Jun-21	2.40	MTN-C	JP Morgan	910,000
Wells Cap	14-Jun-21	2.25	MTN-C	Fifth Third Bank	800,000
PFM	15-Jun-21	1.67	ABS	Ford Credit Auto	280,337
Wells Cap	30-Jun-21	1.00	U.S. Govt Agency	US Treasury Bill	400,000
Wells Cap	1-Jul-21	2.39	Municipal	San Francisco	935,000
PFM	14-Jul-21	1.13	U.S. Govt Agency	FHLB	1,775,000
PFM	23-Jul-21	2.75	Supra-National Age	Intl Bk	1,800,000
PFM	15-Aug-21	1.87	ABS	Honda Auto	853,248
PFM	16-Aug-21	1.76	ABS	Hyundai Auto	395,533
Wells Cap	16-Aug-21	1.74	ABS	Nissan Auto	977,473
Wells Cap	17-Aug-21	1.25	U.S. Govt Agency	FNMA	1,400,000
Wells Cap	17-Aug-21	1.25	U.S. Govt Agency	FNMA	1,500,000
Wells Cap	1-Sep-21	2.25	MTN-C	Ryder System Inc	420,000
PFM	15-Sep-21	6.72	ABS	FHLMC	1,540
PFM	15-Sep-21	1.90	MTN-C	Oracle Corp	900,000
PFM	20-Sep-21	1.85	MTN-C	Cisco Systems Inc	800,000
PFM	6-Oct-21	1.70	MTN-C	Pepsico Inc	1,320,000
PFM	15-Oct-21	1.82	ABS	John Deere	340,000
Wells Cap	30-Oct-21	2.35	MTN-C	Boeing Co	1,000,000
PFM	31-Oct-21	1.25	U.S. Govt Agency	US Treasury Bill	290,000
PFM	31-Oct-21	2.00	U.S. Govt Agency	US Treasury Bill	2,000,000
PFM	15-Nov-21	2.00	ABS	Toyota Auto Recvrs	250,000
Wells Cap	19-Nov-21	1.75	ABS	Citibank Credit	1,100,000
PFM	30-Nov-21	1.75	U.S. Govt Agency	US Treasury Bill	2,000,000
Wells Cap	30-Nov-21	1.75	U.S. Govt Agency	US Treasury Bill	1,160,000
PFM	15-Dec-21	1.75	ABS	Ally Auto	360,000
PFM	31-Dec-21	2.13	U.S. Govt Agency	US Treasury Bill	3,600,000
Wells Cap	31-Dec-21	2.00	U.S. Govt Agency	US Treasury Bill	1,225,000
PFM	15-Jan-22	1.63	MTN-C	Comcast Corp	450,000
PFM	18-Jan-22	1.93	ABS	Toyota Auto	625,000
Wells Cap	18-Jan-22	2.60	U.S. Govt Agency	FFCB	250,000
Wells Cap	7-Feb-22	2.60	MTN-C	Bank of NY	1,000,000
PFM	12-Feb-22	2.38	MTN-C	Microsoft Corp	450,000
Wells Cap	15-Feb-22	2.50	U.S. Govt Agency	US Treasury Bill	500,000
Wells Cap	28-Feb-22	1.88	U.S. Govt Agency	US Treasury Bill	390,000
Wells Cap	3-Mar-22	2.25	MTN-C	Johnson Johnson	500,000
PFM	4-Mar-22	2.45	MTN-C	Walt Disney Co	375,000
PFM	8-Mar-22	3.30	MTN-C	PNC Funding Corp	494,000
PFM	15-Mar-22	1.99	ABS	Ally Auto	735,000
PFM	15-Mar-22	2.01	ABS	Ford Credit Auto	945,000
PFM	1-Apr-22	2.75	MTN-C	BB T Corp	450,000
Wells Cap	5-Apr-22	1.88	U.S. Govt Agency	FNMA	920,000
Wells Cap	18-Apr-22	2.66	ABS	John Deere	500,000
PFM	25-Apr-22	2.75	MTN-C	Citigroup	1,000,000
Wells Cap	25-Apr-22	2.40	MTN-C	National Rural	950,000
Wells Cap	26-Apr-22	3.00	MTN-C	Goldman Sachs	440,000
Wells Cap	30-Apr-22	1.88	U.S. Govt Agency	US Treasury Bill	800,000
PFM	15-May-22	1.75	U.S. Govt Agency	US Treasury Bill	2,300,000
Wells Cap	15-May-22	3.28	Municipal	Univ Of CA	400,000
PFM	16-May-22	2.35	MTN-C	United Parcel	450,000
PFM	17-May-22	3.50	MTN-C	Bank of America	300,000
Wells Cap	18-May-22	2.30	MTN-C	Costco Wholesale	1,000,000
Wells Cap	25-May-22	2.20	MTN-C	Coca Cola Co	500,000
PFM	1-Jun-22	3.38	MTN-C	Blackrock Inc.	395,000

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

Wells Cap	30-Jun-22	1.75	U.S. Govt Agency	US Treasury Bill	660,000
PFM	15-Aug-22	1.95	ABS	Bank of America	1,000,000
PFM	31-Aug-22	1.88	U.S. Govt Agency	US Treasury Bill	2,000,000
Wells Cap	31-Aug-22	1.75	U.S. Govt Agency	US Treasury Bill	590,000
PFM	8-Sep-22	2.15	MTN-C	Toyota Motor	450,000
Wells Cap	15-Sep-22	1.93	ABS	American Express	1,656,000
Wells Cap	15-Sep-22	1.82	ABS	Capital One	867,000
PFM	30-Sep-22	1.88	U.S. Govt Agency	US Treasury Bill	750,000
Wells Cap	5-Oct-22	2.00	U.S. Govt Agency	FNMA	950,000
PFM	17-Oct-22	2.67	ABS	American Express	420,000
Wells Cap	27-Oct-22	2.70	MTN-C	Citigroup	750,000
Wells Cap	31-Oct-22	2.00	U.S. Govt Agency	US Treasury Bill	3,150,000
Wells Cap	30-Nov-22	2.00	U.S. Govt Agency	US Treasury Bill	2,770,000
PFM	15-Dec-22	2.70	MTN-C	Intel Corp	415,000
PFM	15-Dec-22	3.02	ABS	Toyota Auto	915,000
PFM	31-Dec-22	2.13	U.S. Govt Agency	US Treasury Bill	1,810,000
PFM	17-Jan-23	3.00	ABS	Ally Auto	965,000
PFM	17-Jan-23	3.03	ABS	Mercedes Benz Auto	565,000
PFM	20-Jan-23	2.49	ABS	Citibank Credit	1,900,000
PFM	31-Jan-23	1.75	U.S. Govt Agency	US Treasury Bill	1,200,000
Wells Cap	31-Jan-23	2.38	U.S. Govt Agency	US Treasury Bill	350,000
Wells Cap	28-Feb-23	2.63	U.S. Govt Agency	US Treasury Bill	2,100,000
PFM	15-Mar-23	2.75	MTN-C	Berkshire Hathaway	370,000
PFM	15-Mar-23	2.25	MTN-C	3M Company	540,000
Wells Cap	20-Apr-23	3.38	MTN-C	Verizon Owner Trust	600,000
PFM	24-Apr-23	2.88	MTN-C	Bank of America	640,000
PFM	15-May-23	1.75	U.S. Govt Agency	US Treasury Bill	1,100,000
PFM	15-May-23	1.75	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	16-May-23	3.02	ABS	GM Financial	415,000
PFM	26-Jun-23	3.40	MTN-C	Walmart Inc.	800,000
PFM	24-Jul-23	2.91	MTN-C	Goldman Sachs	900,000
PFM	25-Jul-23	3.20	ABS	FHLMC	378,777
Wells Cap	31-Aug-23	2.75	U.S. Govt Agency	US Treasury Bill	1,240,000
PFM	20-Sep-23	3.45	MTN-C	Toyota Motor	550,000
PFM	10-Oct-23	3.63	MTN-C	American Honda Mtn	395,000
PFM	31-Oct-23	1.63	U.S. Govt Agency	US Treasury Bill	5,150,000
Wells Cap	31-Oct-23	3.00	U.S. Govt Agency	US Treasury Bill	550,000
Wells Cap	30-Nov-23	2.13	U.S. Govt Agency	US Treasury Bill	700,000
Wells Cap	31-Jan-24	2.50	U.S. Govt Agency	US Treasury Bill	3,575,000
PFM	5-Feb-24	2.50	U.S. Govt Agency	FNMA	1,110,000
PFM	13-Feb-24	2.50	U.S. Govt Agency	FHLB	1,220,000
Wells Cap	1-Oct-26	8.00	Municipal	San Marcos Ca Redev	1,185,000
					\$ 218,887,862

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

	Maturity Date	Yield	Investment Type	G/L Account	Amount	Total
<u>Self-insurance trust</u>						
Wells Cap			Money market	110900	718,314	
Wells Cap			Fixed income - L/T	152300	<u>4,664,648</u>	5,382,962
<u>2012 revenue bonds</u>						
US Bank			Principal/Interest payment fund	142112	<u>2,757,353</u>	2,757,353
<u>2015A revenue bonds</u>						
US Bank			Principal/Interest payment fund	142115	<u>639,348</u>	639,348
<u>2015B revenue bonds</u>						
US Bank			Principal/Interest payment fund	142116	1,041,496	
US Bank			Project Fund	152442	<u>37,840,317</u>	38,881,813
<u>2017A/B revenue bonds</u>						
US Bank			Principal/Interest payment fund	142117	<u>314,013</u>	314,013
<u>2017C revenue bonds</u>						
US Bank			Principal/Interest payment fund	142118	<u>884,948</u>	884,948
<u>2014 general obligation bonds</u>						
LAIF			Interest Payment fund	152440	<u>2,243,361</u>	2,243,361
<u>Operations</u>						
Wells Fargo Bank	0.20		Checking	100000	(2,448,128)	
Wells Fargo Bank	0.20		Checking	100500	11,547,622	
					<u>9,099,494</u>	
<u>Payroll</u>						
Wells Fargo Bank	0.20		Checking	100100	(20,230)	
Wells Fargo Bank	0.20		Checking	100201	7,685	
Wells Fargo Bank			Checking	100205	1,293	
Bancorp			Checking	100202	39,599	
					<u>28,347</u>	
						9,127,841
				Total investments	\$	<u>279,119,501</u>

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

Kaweah Delta Medical Foundation

Wells Fargo Bank	Checking	100050		<u>\$ 560,724</u>
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Sequoia Regional Cancer Center

Wells Fargo Bank	Checking	100535	\$ 775,901	
Wells Fargo Bank	Checking	100530	-	
			<u>\$ 775,901</u>	

Kaweah Delta Hospital Foundation

VCB Checking	Investments	100501	\$ 604,334	
Various	S/T Investments	142200	4,727,124	
Various	L/T Investments	142300	10,411,798	
Various	Unrealized G/L	142400	490,961	
			<u>\$ 16,234,217</u>	

Summary of board designated funds:

Plant fund:

Uncommitted plant funds	\$ 147,950,082	142100
Committed for capital	<u>34,771,819</u>	142100
	182,721,901	
GO Bond reserve - L/T	2,014,220	142100
401k Matching	10,691,448	142100
Cost report settlement - cur	2,135,384	142104
Cost report settlement - L/T	<u>1,312,727</u>	142100
	3,448,111	
Development fund/Memorial fund	104,184	112300
Workers compensation - cu	5,368,000	112900
Workers compensation - L/	<u>14,539,998</u>	113900
	19,907,998	
	<u>\$ 218,887,862</u>	

	<u>Total</u>		<u>Trust</u>	<u>Surplus</u>	
	<u>Investments</u>	<u>%</u>	<u>Accounts</u>	<u>Funds</u>	<u>%</u>
<u>Investment summary by institution:</u>					
Bancorp	\$ 39,599	0.0%		39,599	0.0%
Cal Trust	16,250,726	5.8%		16,250,726	7.1%
CAMP	39,510	0.0%		39,510	0.0%
Local Agency Investment Fund (LAIF)	44,720,465	16.0%		44,720,465	19.6%
Local Agency Investment Fund (LAIF) - GOB Tax	2,243,361	0.8%	2,243,361	-	0.0%
Wells Cap	77,677,529	27.8%	5,382,962	72,294,567	31.7%
PFM	82,564,506	29.6%		82,564,506	36.2%
Torrey Pines Bank	3,018,088	1.1%		3,018,088	1.3%
Wells Fargo Bank	9,088,242	3.3%		9,088,242	4.0%
US Bank	43,477,475	15.6%	43,477,475		0.0%
Total investments	<u>\$ 279,119,501</u>	<u>100.0%</u>	<u>\$ 51,103,798</u>	<u>\$ 228,015,703</u>	<u>100.0%</u>

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

Investment summary of surplus funds by type:		Investment Limitations	
Negotiable and other certificates of deposit	\$ 15,563,088	\$ 68,405,000	(30%)
Checking accounts	9,127,841		
Local Agency Investment Fund (LAIF)	44,720,465	65,000,000	
Cal Trust	16,250,726		
CAMP	39,510		
Medium-term notes (corporate) (MTN-C)	40,639,000	68,405,000	(30%)
U.S. government agency	64,575,000		
Municipal securities	5,500,000		
Money market accounts	1,905,058	45,603,000	(20%)
Asset Backed Securities	18,945,015	45,603,000	(20%)
Supra-National Agency	10,750,000	68,405,000	(30%)
	<u>\$ 228,015,703</u>		

Return on investment:

Current month	<u>1.92%</u>
Year-to-date	<u>1.34%</u>
Prospective	<u>2.09%</u>
LAIF (year-to-date)	<u>2.17%</u>
Budget	<u>1.66%</u>

Material current-month nonroutine transactions:

Sell/Called/Matured:	US Treasury, \$1,250,000, 1.646%
	US Treasury, \$1,100,000, 1.75%
	American Express, \$330,000, 1.64%
	Gen Elec Cap, \$1,200,000, 2.10%
	INTL BK, \$1,975,000, 1.875%
	Univ California \$1,000,000,
Buy:	FHLB Deb, \$1,220,000, 2.50%
	FNMA, \$1,110,000, 2.50%
	American Honda Mtn, \$395,000, 3.625%
	US Treasury, \$700,000, 2.125%
	US Treasury, \$3,575,000, 2.50%
	US Treasury, \$500,000, 2.50%

Fair market value disclosure for the quarter ended December 31, 2018 (District only):	Quarter-to-date	Year-to-date
Difference between fair value of investments and amortized cost (balance sheet effect)	N/A	\$ (2,080,172)
Change in unrealized gain (loss) on investments (income statement effect)	\$ 1,528,354	\$ 1,671,647

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

Investment summary of CDs:

Bank of Nova	1,600,000
Canadian C D	1,400,000
Credit Suisse	750,000
Nordea Bank	1,800,000
Skandin Ens CD	2,000,000
Sumito Mtsu	1,625,000
Swedbank	1,800,000
Torrey Pines Bank	3,018,088
Westpac Bking CD	1,570,000
	\$ 15,563,088

Investment summary of asset backed securities:

Ally Auto	\$ 2,108,324
American Express	2,076,000
Bank of America	1,000,000
BMW Vehicle Owner	334,947
Capital One	867,000
Citibank Credit	3,000,000
FHLMC	380,317
FNMA	47,854
Ford Credit Auto	1,225,337
GM Financial	415,000
Honda Auto	1,243,460
Hyundai Auto	748,644
John Deere	886,249
Mercedes Benz Auto	565,000
Nissan Auto	978,299
Smart Trust	774,255
Toyota Auto	1,540,000
Toyota Auto Recvs	420,824
USAA Auto Owner	333,505
	\$ 18,945,015

Investment summary of medium-term notes (corporate):

American Express	\$ 450,000
American Honda Mtn	815,000
Apple, Inc	1,515,000
Automatic Data	800,000
Bank of America	1,375,000
Bank of NY	1,900,000
BB T Corp	2,180,000
Berkshire Hathaway	370,000
Blackrock Inc.	395,000
Boeing Co	1,000,000
Caterpillar Finl Mtn	670,000
Cisco Systems Inc	800,000
Citigroup	1,750,000
Coca Cola Co	500,000
Comcast Corp	450,000
Costco Wholesale	1,000,000
E I DU PONT DE	500,000
Fifth Third Bank	800,000
Goldman Sachs	1,690,000
Home Depot Inc	425,000
IBM	900,000
Intel Corp	415,000
John Deere	950,000
Johnson Johnson	500,000
JP Morgan	1,910,000
Microsoft Corp	450,000
Morgan Stanley	1,650,000
National Rural	950,000
Oracle Corp	900,000
Pepsico Inc	1,320,000
PNC Bank	400,000
PNC Funding Corp	494,000
Ryder System Inc	420,000
State Street Corp	1,075,000
Texas Instruments	810,000
Toyota Motor	1,600,000
Unitedhealth Group	595,000
United Parcel	450,000
US Bancorp	900,000
Visa Inc	1,100,000

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS February 28, 2019

Verizon Owner Trust	600,000
Walmart Inc.	800,000
Walt Disney Co	375,000
Wells Fargo Company	1,150,000
3M Company	540,000
	<u>\$ 40,639,000</u>

Investment summary of U.S. government agency:

Federal National Mortgage Association (FNMA)	\$ 6,580,000
Federal Home Loan Bank (FHLB)	3,975,000
Federal Farmers Credit Bank (FFCB)	2,700,000
US Treasury Bill	51,320,000
	<u>\$ 64,575,000</u>

Investment summary of municipal securities:

California ST High	\$ 1,250,000
California ST	530,000
Sacramento Ca Public	1,200,000
San Francisco	935,000
San Marcos Ca Redev	1,185,000
Univ Of CA	400,000
	<u>\$ 5,500,000</u>

Investment summary of Supra-National Agency:

Intl Bk	\$ 8,950,000
Inter Amer Dev Bk	1,800,000
	<u>\$ 10,750,000</u>