



**SUMMARY FINANCIAL
INFORMATION
HISTORICAL**

**For The Three-Month Period
Ended March 31, 2020**

BAYCARE HEALTH SYSTEM
COMBINED STATEMENT OF OPERATIONS
For The Three-Month Period Ended March 31, 2020
(Dollars in thousands)

	<u>Year-to-Date</u>		<u>Over / (Under) PY</u>
	<u>Current Year</u>	<u>Prior Year</u>	
<u>HOSPITAL INDICATORS</u>			
Discharges	41,017	45,589	-10.0%
OSV - % of Discharges + OSV	34.6%	30.3%	14.2%
Adjusted Discharges	79,722	84,207	-5.3%
Average Length of Stay	4.64	4.48	3.6%
Medicare/Medicare HMO Average Length of Stay	4.73	4.53	4.4%
Case Mix Index	1.58	1.52	3.9%
Net Revenue Per Adjusted Discharge	\$11,329	\$10,752	5.4%
Cost Per Adjusted Discharge	\$10,520	\$9,578	9.8%
Volume Adjusted Cost Per Adjusted Discharge	\$10,520	\$9,799	7.4%
FTEs	17,214	17,016	1.2%
FTEs/AOB	4.27	4.10	4.1%
Salaries Per Adjusted Discharge	\$3,505	\$3,196	9.7%
Supplies Per Adjusted Discharge-CMI Adj	\$1,493	\$1,449	3.0%
<u>SYSTEM OVERALL INDICATORS</u>			
Operating Cash Flow Margin	10.9%	14.5%	-24.8%
Operating Margin	4.6%	8.4%	-45.2%
Total Margin	-173.5%	28.7%	-704.5%
FTEs	25,949	25,537	1.6%
<u>SYSTEM FINANCIAL ACTIVITY</u>			
<u>Operating Revenue</u>			
Net Patient Service Revenue	\$1,037,480	\$1,046,163	-0.8%
Net Premium Revenue	14,635	8,060	81.6%
Other Revenue	32,429	29,183	11.1%
Total Operating Revenue	1,084,544	1,083,406	0.1%
<u>Operating Expenses</u>			
Salaries and Wages	475,060	458,633	3.6%
Benefits	83,365	84,186	-1.0%
Supplies	213,976	209,194	2.3%
Health Plan Cost to External Providers	7,160	5,085	40.8%
Purchased Services and Other Expenses	186,676	169,627	10.1%
Subtotal	966,237	926,725	4.3%
Operating Cash Flow	\$118,307	\$156,681	-24.5%
Depreciation and Amortization	59,012	55,455	6.4%
Interest	9,333	9,867	-5.4%
Subtotal	68,345	65,322	4.6%
Total Operating Expenses	1,034,582	992,047	4.3%
OPERATING INCOME (LOSS)	\$49,962	\$91,359	-45.3%
Total Non-Operating Revenue	(706,332)	308,080	-329.3%
EXCESS (DEFICIENCY) OF REVENUES AND GAINS OVER EXPENSES	(\$656,370)	\$399,439	-264.3%

BAYCARE HEALTH SYSTEM
COMBINED BALANCE SHEET
March 31, 2020
(Dollars in thousands)

	Current Month	Prior Year End
	03/31/20	12/31/19
ASSETS		
Current assets:		
Cash and cash equivalents	\$86,786	\$86,859
Accounts receivable, less allowance for doubtful accounts	391,812	405,567
Estimated third party settlements	0	442
Inventories	119,889	114,536
Prepaid expenses and other current assets	96,851	82,082
TOTAL CURRENT ASSETS	695,338	689,486
Investments	4,792,303	5,458,432
Assets limited as to use	269,156	251,299
Right-of-use asset - finance leases	23,589	18,802
Right-of-use asset - operating leases	57,385	58,284
Property, plant and equipment, net	2,380,165	2,377,028
Interest in net assets of Foundations	176,784	184,493
Due from affiliates	2,275	3,216
Other assets	143,607	123,907
TOTAL ASSETS	\$8,540,602	\$9,164,947
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$205,166	\$225,983
Employee compensation	263,105	353,165
Estimated third party settlements	10,344	0
Health plan claims payable	9,726	5,474
Finance lease liability	2,407	2,150
Operating lease liability	9,905	9,587
Current portion long-term debt	138,043	77,032
Long-term debt, subject to short-term put arrangements	195,965	195,965
Other current liabilities	19,272	19,217
TOTAL CURRENT LIABILITIES	853,933	888,573
Finance lease liability, less current portion	23,936	19,182
Operating lease liability, less current portion	48,433	49,321
Long-term debt, less current portion	851,960	852,687
Other	527,237	459,819
TOTAL LIABILITIES	2,305,499	2,269,582
Net assets:		
Without donor restrictions	6,114,393	6,770,400
With donor restrictions	120,710	124,965
TOTAL NET ASSETS	6,235,103	6,895,365
TOTAL LIABILITIES AND NET ASSETS	\$8,540,602	\$9,164,947

BAYCARE HEALTH SYSTEM
COMBINED STATEMENT OF CHANGES IN NET ASSETS
March 31, 2020
(Dollars in thousands)

	Current Month	Prior Year End
	03/31/20	12/31/19
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Excess (deficiency) of revenues and gains over expenses	(\$656,370)	\$1,142,854
Change in net unrealized gains/losses on other than trading securities	0	26
Net assets released from restrictions for capital additions	760	10,235
Pension related changes other than net periodic pension cost	0	9,152
Amortization of accumulated hedge accounting losses	115	458
Other	(512)	(1,057)
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(656,007)	1,161,668
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	3	3,772
Net assets released from restrictions for operations	(32)	(375)
Net assets released from restrictions for capital additions	0	(2,906)
Change in interest in net assets of foundations	(4,226)	6,312
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(4,255)	6,803
INCREASE (DECREASE) IN NET ASSETS	(660,262)	1,168,471
NET ASSETS (DEFICIT) AT THE BEGINNING OF THE YEAR	6,895,365	5,726,894
NET ASSETS (DEFICIT) AT THE END OF THE YEAR	\$6,235,103	\$6,895,365

BAYCARE HEALTH SYSTEM
COMBINED STATEMENT OF CASH FLOWS
For The Three-Month Period Ended March 31, 2020
(Dollars in thousands)

	Current Year To Date 03/31/20	Prior Year To Date 03/31/19
OPERATING ACTIVITIES & GAINS		
Increase (decrease) in net assets	(\$660,262)	\$401,989
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	59,012	55,455
Provision for bad debts	1,058	612
(Gain) loss on interest rate swaps	42,737	8,986
(Gain) loss on sale of property, plant and equipment	268	305
Amortization of bond premiums, net	(376)	(400)
Amortization of bond issue costs	139	140
(Increase) decrease in:		
Accounts receivable, net	12,697	(44,068)
Inventories	(5,353)	(6,790)
Prepaid expenses & other current assets	(14,118)	4,924
Increase (decrease) in:		
Accounts payable & accrued expenses	17,492	13,609
Employee compensation	(90,060)	(81,969)
Estimated third party settlements	10,786	(2,207)
Health plan claims payable	4,252	5,496
Other assets and liabilities	26,004	28,032
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES & GAINS AND NONOPERATING LOSSES	(595,724)	384,114
INVESTING ACTIVITIES		
Net purchases of property, plant and equipment	(100,505)	(77,921)
Proceeds from the sale of property, plant and equipment	182	1
(Increase) decrease in other assets	(12,392)	(20,492)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(112,715)	(98,412)
FINANCING ACTIVITIES		
Principal payments on long-term borrowings and finance lease obligations	(852)	(766)
Proceeds from long-term borrowings	(54)	0
Net change in revolving line of credit	61,000	65,000
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	60,094	64,234
INCREASE (DECREASE) IN CASH & INVESTMENTS	(648,345)	349,936
CASH & INVESTMENTS AT BEGINNING OF PERIOD	\$5,796,590	\$4,709,763
CASH & INVESTMENTS AT END OF PERIOD	\$5,148,245	\$5,059,699