

# Fiscal Year 2023 Budget

# Statement of Operations

	Audited June 2020	Audited June 2021	Projected 2022	Budget 2023	Variance	Variance %
(In Thousands)						
<b>Operating Revenue</b>						
<b>Net Patient Service Revenue</b>	\$ 383,198	\$ 420,200	\$ 410,946	\$ 446,443	\$ 35,496	8.6%
<b>Supplemental Funds/Settlements</b>	47,265	61,159	40,768	37,418	(3,350)	-8.2%
<b>Other/Grants/Contributions</b>	17,363	16,802	20,668	15,091	(5,578)	-27.0%
<b>Total Operating Revenue</b>	<b>447,826</b>	<b>498,161</b>	<b>472,382</b>	<b>498,951</b>	<b>26,569</b>	<b>5.6%</b>
<b>Operating Expenses</b>						
<b>Salaries and Wages</b>	\$ 194,326	\$ 200,364	\$ 207,426	\$ 214,948	\$ 7,523	3.6%
<b>Contract Labor</b>	11,751	25,877	12,654	13,405	750	5.9%
<b>Benefits and FICA</b>	63,766	63,665	58,502	64,164	5,662	9.7%
<b>Supplies</b>	54,079	56,441	54,107	59,778	5,671	10.5%
<b>Drugs</b>	12,779	18,720	16,408	19,717	3,309	20.2%
<b>Purchased Services</b>	30,772	33,641	34,201	34,993	791	2.3%
<b>Professional Fees</b>	36,107	37,353	37,463	38,241	778	2.1%
<b>Rent, Insurance, Utilities</b>	11,779	12,113	14,725	14,733	7	0.1%
<b>Intergovernmental Transfers (IGT)</b>	1,677	3,483	2,952	4,044	1,092	37.0%
<b>Other Expenses</b>	4,342	4,444	4,858	4,902	44	0.9%
<b>Total Operating Expenses</b>	<b>421,378</b>	<b>456,102</b>	<b>443,298</b>	<b>468,925</b>	<b>25,628</b>	<b>5.8%</b>
<b>OPERATING EBIDA</b>	<b>26,448</b>	<b>42,059</b>	<b>29,085</b>	<b>30,026</b>	<b>941</b>	<b>3.24%</b>
<b>Depreciation</b>	19,254	19,609	19,098	19,913	814	4.3%
<b>Interest Expense</b>	6,198	6,405	5,923	6,252	329	5.6%
	<b>25,452</b>	<b>26,014</b>	<b>25,022</b>	<b>26,165</b>	<b>1,143</b>	<b>4.6%</b>
<b>Income (Loss) From Operations</b>	<b>996</b>	<b>16,045</b>	<b>4,063</b>	<b>3,861</b>	<b>(202)</b>	<b>-5.0%</b>
<b>Investment Income</b>	8,179	1,239	(4,265)	508	4,774	-111.9%
<b>Capital Contributions</b>	1,523	699	104	-	(104)	-100.0%
<b>NET INCOME (LOSS)</b>	<b>\$ 10,698</b>	<b>\$ 17,983</b>	<b>\$ (99)</b>	<b>\$ 4,369</b>	<b>\$ 4,468</b>	<b>-4514.4%</b>
	<i>Income from Operations Margin %</i>	0.2%	3.2%	0.9%	0.8%	
	<i>Operating EBIDA %</i>	5.9%	8.4%	6.2%	6.0%	
	<i>Excess Margin %</i>	2.4%	3.6%	0.0%	0.9%	

# Statistics

	Audited June 2020	Audited June 2021	Projected 2022	Budget 2023	Variance	Variance %
Discharges	19,030	19,142	17,964	18,500	536	3.0%
Adjusted Discharges	29,263	28,156	25,736	26,743	1,007	3.9%
Patient Days	80,256	86,565	84,821	88,284	3,463	4.1%
Adjusted Patient Days	123,177	127,042	121,458	127,068	5,610	4.6%
Observation Patient Days	4,064	3,740	1,375	1,420	45	3.3%
Average Daily Census	219.3	237.2	232.4	241.9	9.5	4.1%
Adjusted Occupied Bed	336.5	348.1	332.8	348.1	15.4	4.6%
General Length of Stay	4.22	4.52	4.72	4.77	0.05	1.1%
All Payor CMI	1.37	1.55	1.60	1.61	0.01	0.6%
Medicare Length of Stay	5.21	5.21	5.64	5.66	0.02	0.4%
Medicare CMI	1.94	2.09	2.22	2.23	0.01	0.5%
Deliveries	4,227	3,952	3,443	3,540	97	2.8%
Inpatient Surgeries - Women's Center	1,501	1,346	1,211	1,250	39	3.2%
Trauma Cases	1,371	1,591	1,583	1,693	110	6.9%
Emergency Room Visits	121,434	106,154	116,733	127,559	10,826	9.3%
Admissions from Emergency Room	13,256	13,694	13,351	14,031	680	5.1%
<i>Conversion Rate to Admissions</i>	10.9%	12.9%	11.4%	11.0%		
<i>Percentage of Total Admissions</i>	69.7%	71.5%	74.3%	75.8%		
Inpatient Surgeries	3,551	3,692	3,448	3,932	484	14.0%
Outpatient Surgeries	3,729	3,843	3,353	3,917	564	16.8%
<b>Total Surgeries</b>	<b>7,280</b>	<b>7,535</b>	<b>6,801</b>	<b>7,849</b>	<b>1,048</b>	<b>15.4%</b>

# Key Operating Indicators

	Audited June 2020	Audited June 2021	Projected 2022	Budget 2023
(In Thousands)				
<b>Gross Revenue</b>				
Inpatient	\$ 1,203,875	\$ 1,325,090	\$ 1,336,161	\$ 1,499,004
Outpatient	644,022	620,746	577,373	684,681
<b>TOTAL</b>	<b>\$ 1,847,897</b>	<b>\$ 1,945,836</b>	<b>\$ 1,913,534</b>	<b>\$ 2,183,685</b>
<b>Deductions</b>				
Contractual Adjustments	(1,441,130)	(1,498,520)	(1,483,445)	(1,708,011)
Bad Debts and Charity Care	(23,569)	(27,116)	(19,143)	(29,231)
<b>Net Patient Service Revenue</b>	<b>\$ 383,198</b>	<b>\$ 420,200</b>	<b>\$ 410,946</b>	<b>\$ 446,443</b>
<i>Realization Rate on Gross Charges</i>	20.7%	21.6%	21.5%	20.4%
<i>Charity Care and Bad Debt %</i>	1.3%	1.4%	1.0%	1.3%
<b>Net Operating Revenue</b>	<b>\$ 447,826</b>	<b>\$ 498,161</b>	<b>\$ 472,382</b>	<b>\$ 498,951</b>
<b>Salaries</b>	\$ 194,326	\$ 200,364	\$ 207,426	\$ 214,948
<b>Contract Labor</b>	11,751	25,877	12,654	13,405
<b>TOTAL</b>	<b>\$ 206,077</b>	<b>\$ 226,240</b>	<b>\$ 220,080</b>	<b>\$ 228,353</b>
<i>Contract Labor as % of Total Salaries</i>	5.7%	11.4%	5.7%	5.9%
<b>Benefits</b>	\$ 63,766	\$ 63,665	\$ 58,502	\$ 64,164
<i>Benefits as % of Salaries (w/o contract labor)</i>	32.8%	31.8%	28.2%	29.9%
<i>Total Labor Costs as % of Net Operating Revenue</i>	60.3%	58.2%	59.0%	58.6%
<b>Paid FTE's</b>	2,294	2,358	2,296	2,381
<i>FTE'S per Adjusted Occupied Bed</i>	6.82	6.77	6.90	6.84
<b>Supplies and Drugs</b>	\$ 66,858	\$ 75,161	\$ 70,515	\$ 79,495
<i>Supplies as % of Net Operating Revenue</i>	14.9%	15.1%	14.9%	15.9%

# Payor Mix – Based on Gross Charges

	Audited June 2020	Audited June 2021	Projected 2022	Budget 2023
Medicare Traditional	18.5%	15.8%	15.4%	15.0%
Medicare Managed Care	17.7%	20.4%	21.5%	21.3%
Medi-Cal	10.9%	10.9%	9.9%	9.9%
Medi-Cal Managed Care	28.9%	28.1%	28.7%	28.6%
Commercial / Managed Care	21.0%	21.7%	21.9%	22.3%
Other	1.7%	2.0%	2.1%	2.1%
Self-Pay	1.1%	1.2%	0.6%	0.8%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Percentage of Government Payors	76.1%	75.1%	75.5%	74.8%

# Supplemental Funds

	Audited June 2020	Audited June 2021	Projected 2022	Budget 2023
NDPH (SB 1225)	\$ 3,385	\$ 3,385	\$ 1,000	\$ 1,000
SB 1100	444	9,646	8,602	5,000
AB915 Medi-Cal Outpatient	1,668	2,059	1,889	1,889
AB 915 Expansion	1,720	2,005	1,827	1,827
Hospital Fee Program (HQAFS)	4,812	7,276	4,907	5,912
Hospital Fee Program Direct Grant	8,744	6,827	5,120	5,278
Cost Report Settlement	3,815	121	57	-
IGT AB113	525	5,971	851	1,420
Capitation Contract	5,550	4,486	4,575	4,544
Cares Act	8,421	10,200	1,632	-
Meaningful Use Medi-Cal/Medicare	-	-	-	-
Other	280	51	368	216
Trauma	6,224	5,649	6,988	6,287
<b>TOTAL (Net)</b>	<b>\$ 45,588</b>	<b>\$ 57,676</b>	<b>\$ 37,816</b>	<b>\$ 33,374</b>
Gross Receipts to AVH	\$ 47,265	\$ 61,159	\$ 40,768	\$ 37,418
ITG Remittances to California	(1,677)	(3,483)	(2,952)	(4,044)
	<b>\$ 45,588</b>	<b>\$ 57,676</b>	<b>\$ 37,816</b>	<b>\$ 33,374</b>

# Thank you

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**Antelope Valley**  
Medical Center