

Financial Review Fiscal Year 2022 July 2021

August 19, 2021



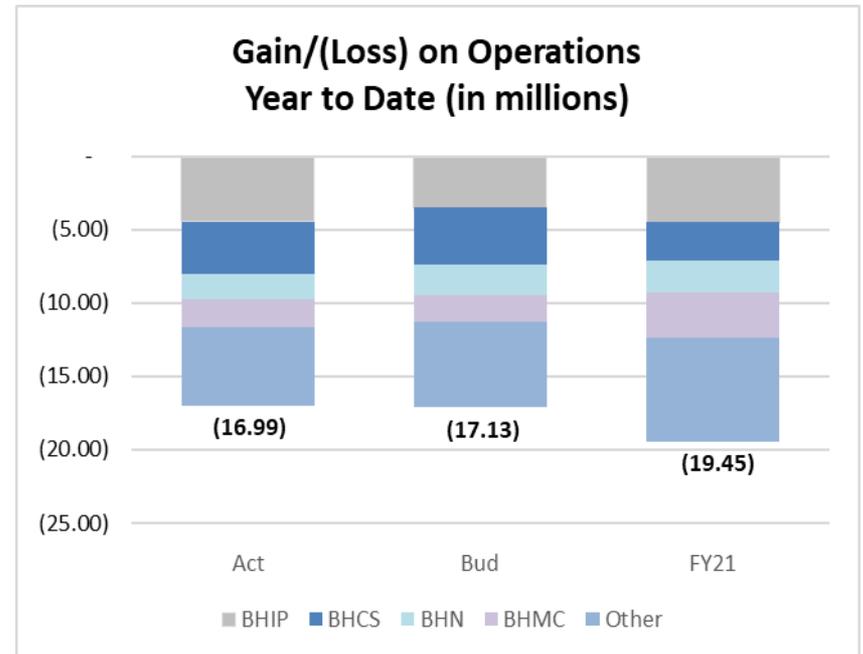
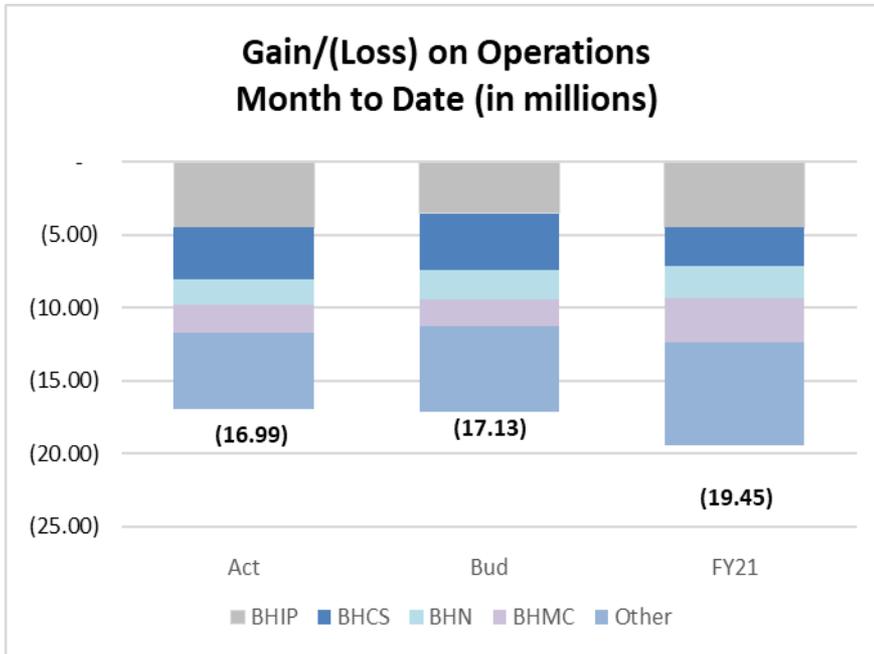


Broward Health System – Jul FY22

DRIVERS

- Key Indicators Fav compared to 3mth rate; Admissions fav 12.9%, ER Visits fav 7.9%, OP Visits unfav 2.2%, and Total Surgeries fav 0.2%
- NOR fav 14.1% compared to 3mth run rate; increased acuity due to spike in COVID cases in the month of July
- Operating Expenses unfav 2.7% compared to 3mth run rate; RN/RT Retention Bonus \$1.8M and Hazard/CL differential \$2.3M

PERFORMANCE



Broward Health System – COVID19

July 2021

Patients Treated

Inpatients Diagnosed with COVID-19 \$ 463

Equipment and Supply Costs

COVID-19 Testing Costs 101,884

Remdesivir 786,636

Total Equipment and Supply Costs \$ 888,520

Workforce Related Costs

Direct Patient Care OT/Staff Hazard/Xshift bonuses/Retention bonuses/CL

Agency Premiums 4,241,236

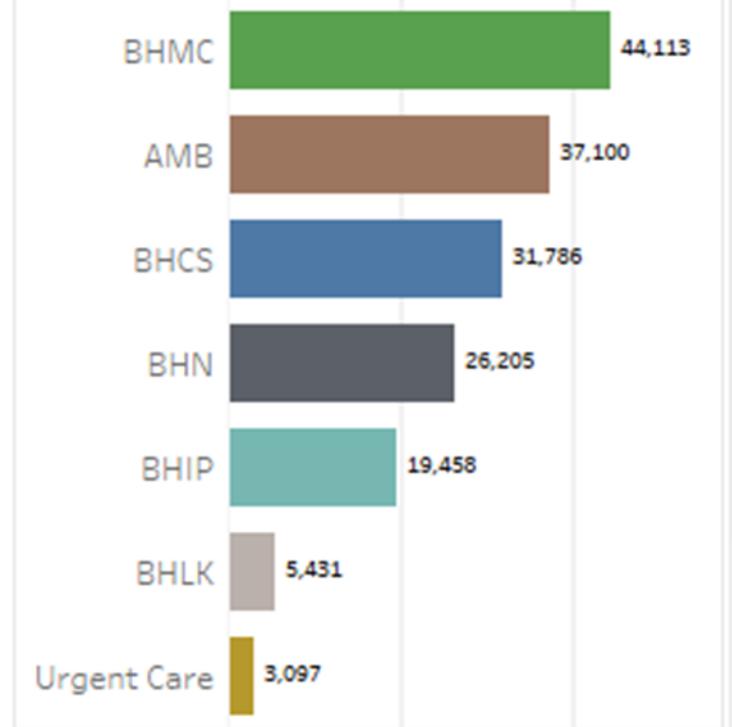
Total Workforce Related Costs \$ 4,241,236

Total Cost Associated with COVID \$ 5,129,756

Patients Tested

Positive	Pending	Negative	Total	Avg LOS	% Positive	Acute Care % Positive	% Admitted Vaccinated
13,348	272	153,587	167,188	4.7	8.0%	9.1%	3.13%

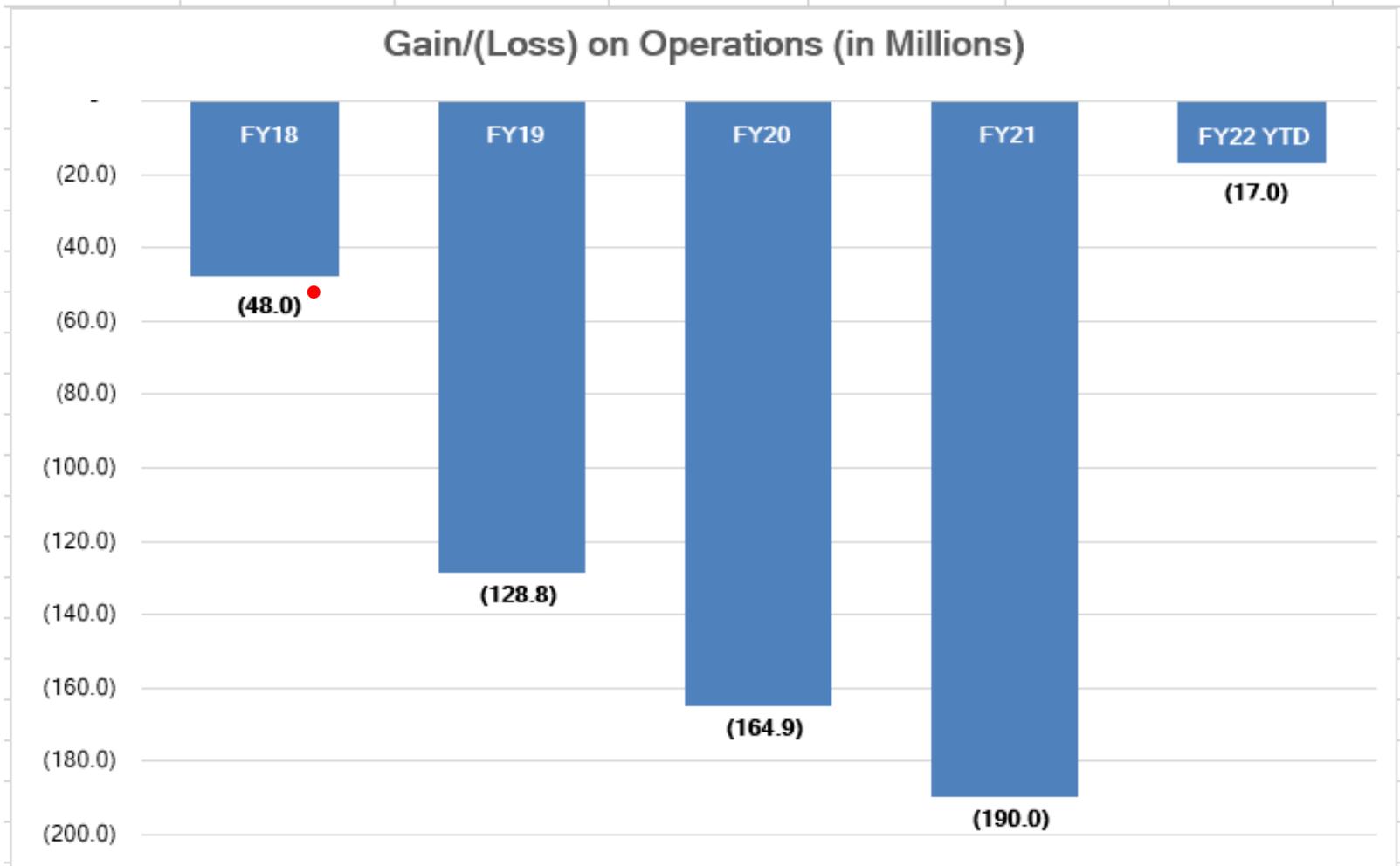
Facility Distribution





Broward Health Financial Performance

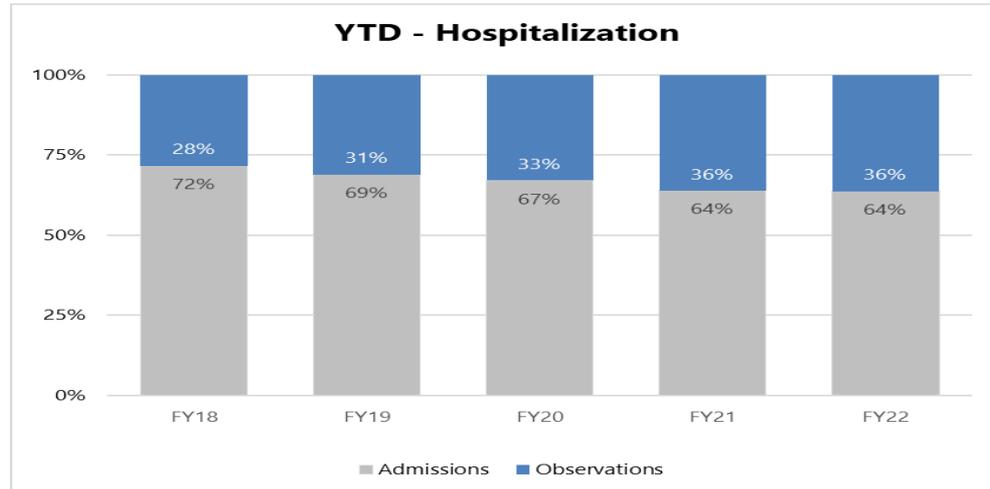
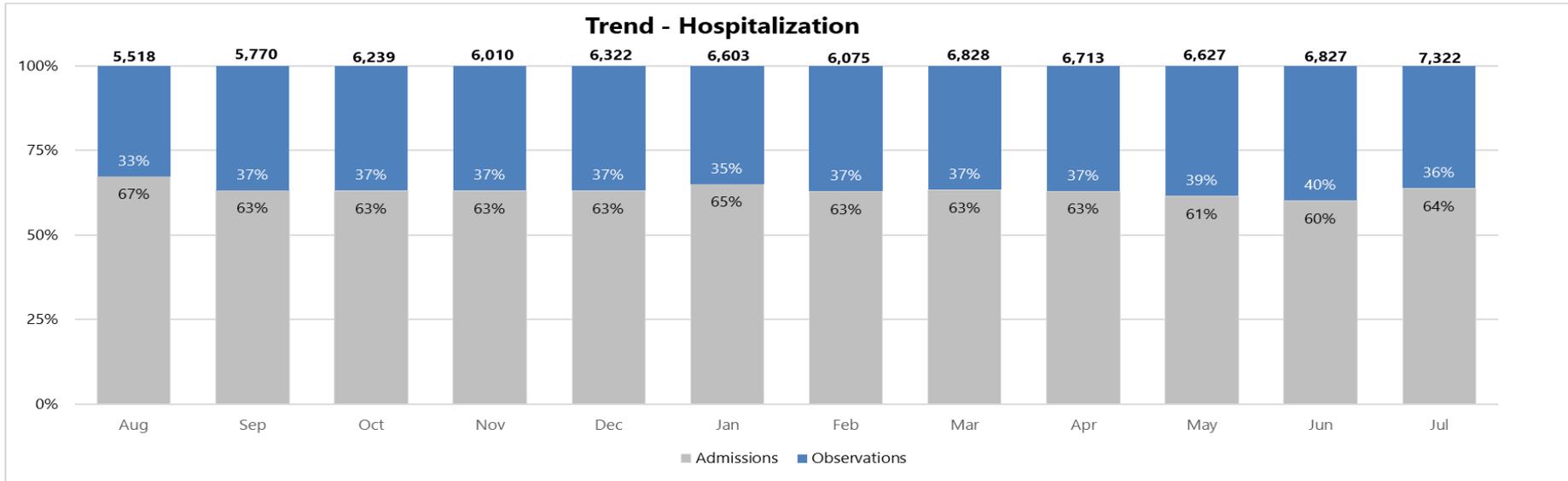
5 Year Trend



● A change in GASB75 in FY18 resulted in a 1 time reduction of post-employment benefit expense of \$76.1 million. Without the adjustment Gain/(Loss) = (124.1)

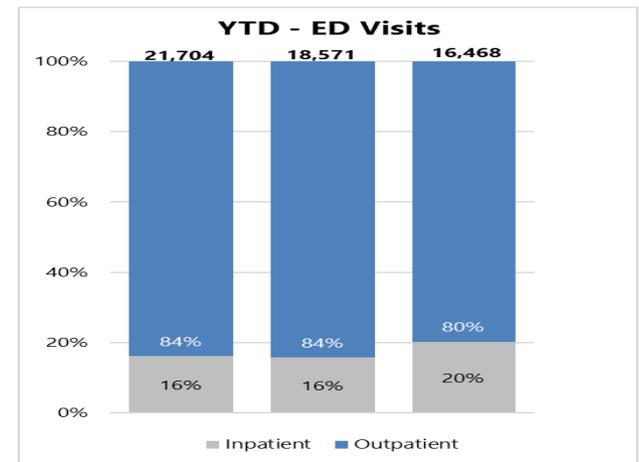
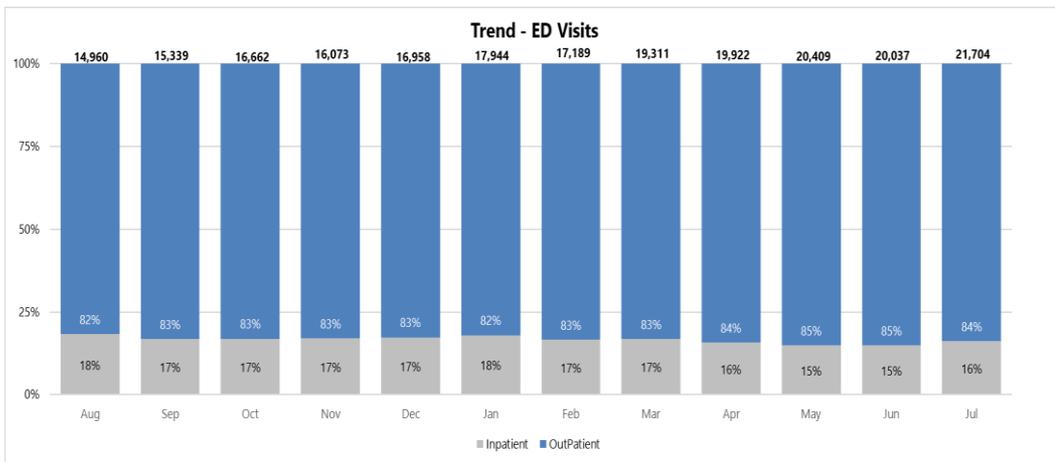
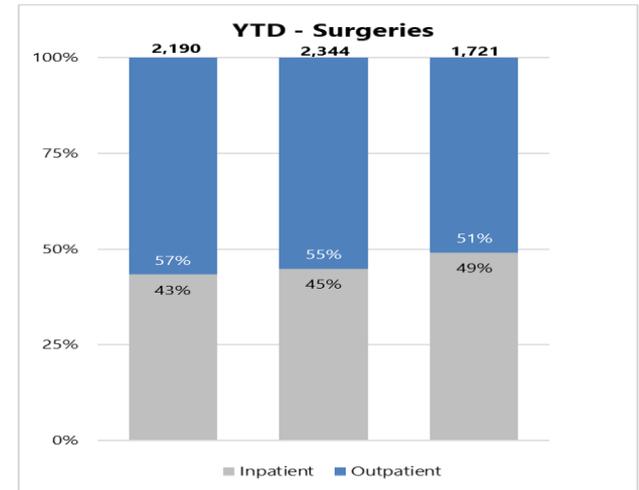
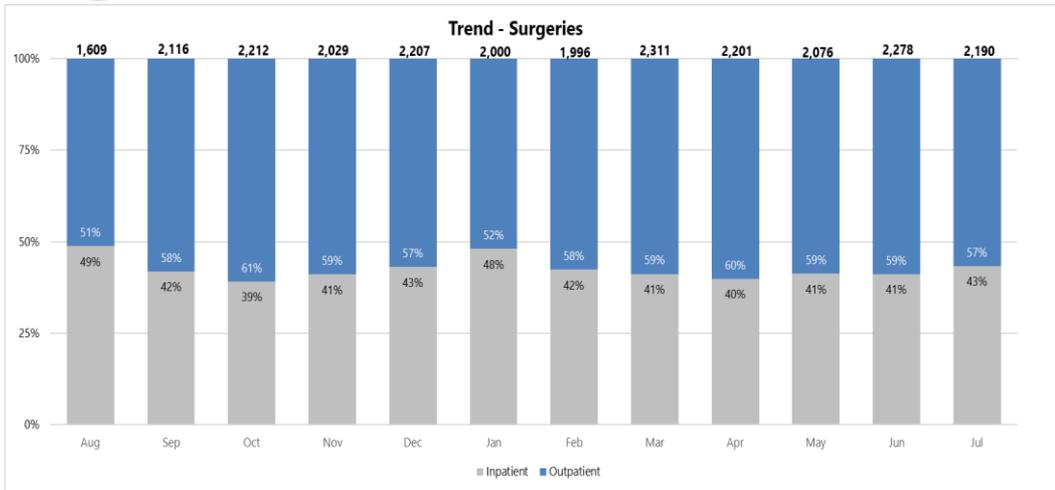


Broward Health Volume Indicators





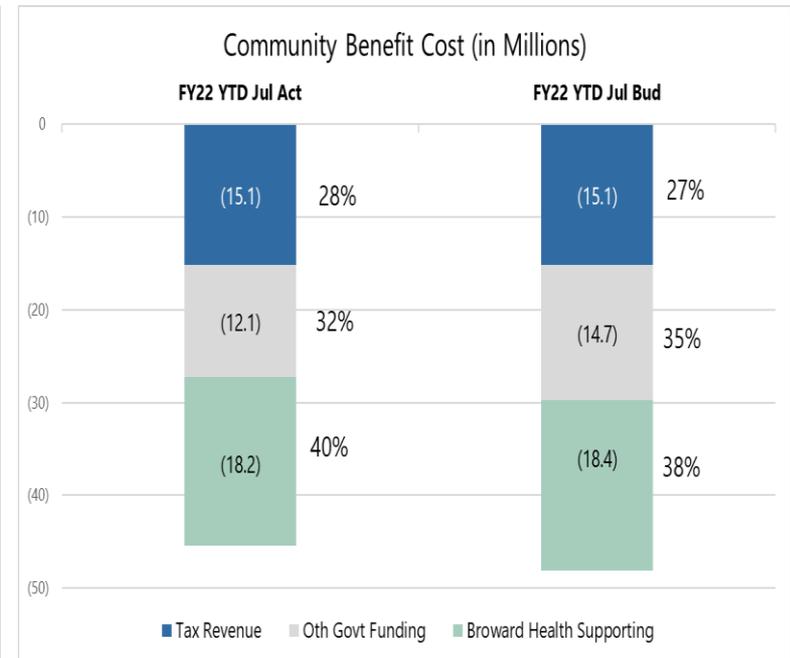
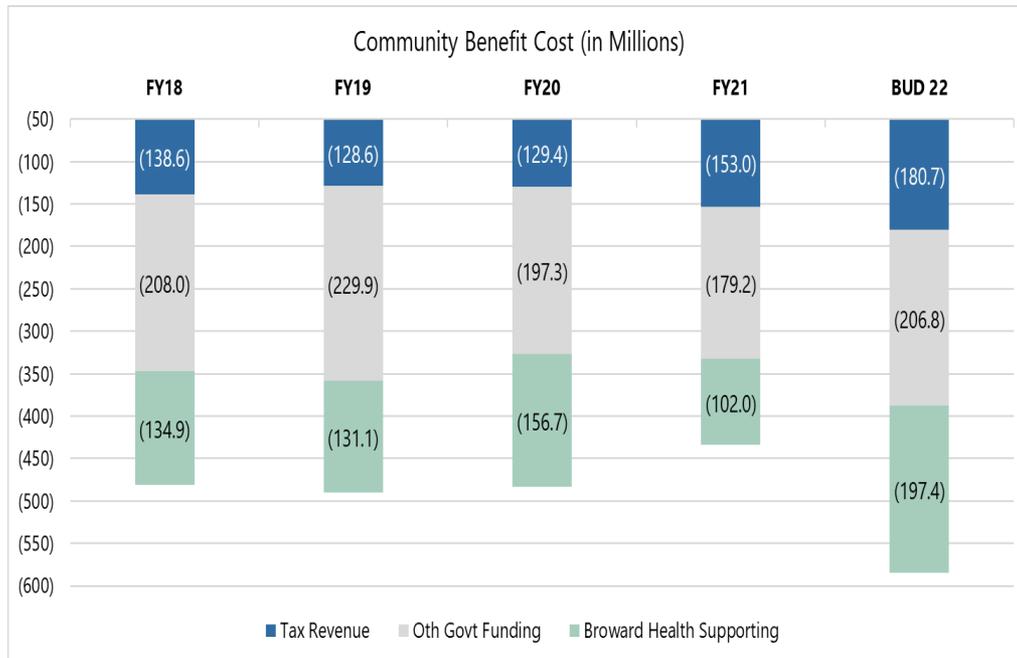
Broward Health Volume Indicators





Broward Health Community Benefit

- Community Benefit Cost in Excess of Gov't Funding represents the amount of the unfunded costs BH subsidizes through operations
- BH Projected for 2022 to subsidize unfunded programs by \$180.7M. This is an estimate pending tax revenue approval; amount is currently at proposed millage rate of 1.2770
- BH has potentially subsidized \$18.2M in unfunded programs through July 2021 YTD



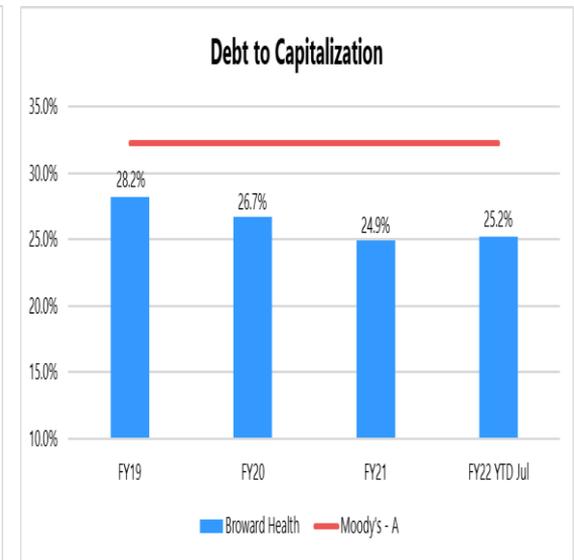
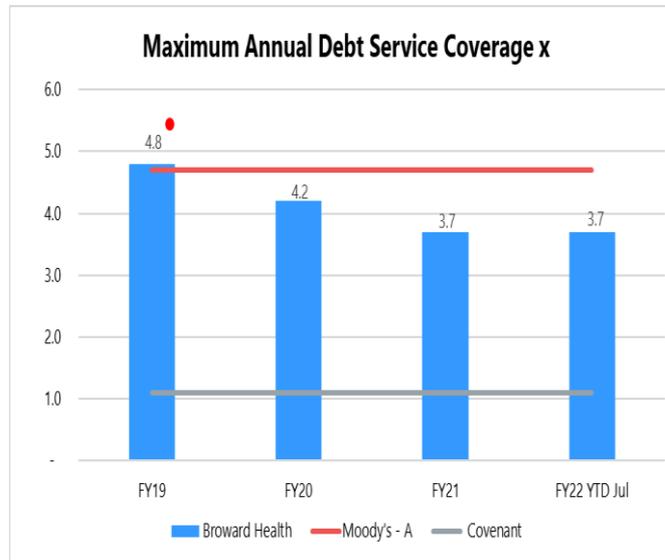
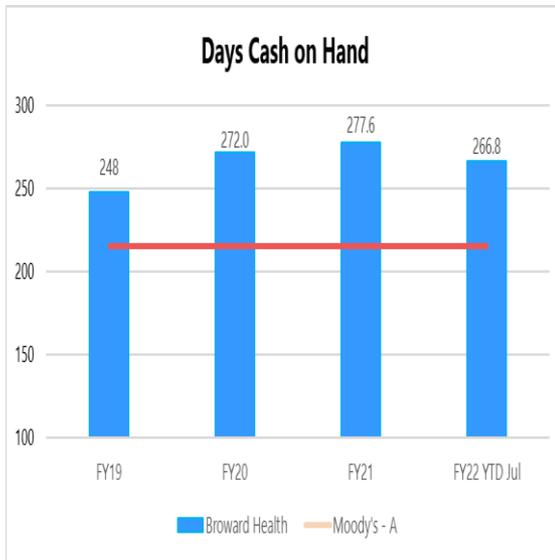


Broward Health Key Financial Indicators

DRIVERS

- Days Cash on Hand is above A Rated benchmark at 266.8
- Debt Service Coverage is below A Rate at 3.7
- Debt to Capitalization is currently at 25.2%

PERFORMANCE



• June FY20 also has \$37.1 mil for the portion received back in FY20. Medicare Recoupment started April 2021 in the amount of \$1.9 mil. FY21 received \$40.9 mil in Cares Act Funding which was included in FY21's calculation Days Cash on Hand, not included in Debt Serv Coverage ratio. Also, FY21 supplemental drivers include Ad Valorem tax payments, CCP cash distribution, and County COVID Cares Act Funding.



Broward Health Rev Cycle Dashboard

DRIVERS

- YTD FPDR (Controllable) at 7.3% vs 6.6% goal
- YTD % of IP screened by MOPED at 99.17% vs 98.00%
- YTD % of Accounts Converted to Funded at 87.06% vs goal of 80.00%

PERFORMANCE

Revenue Cycle		Current Period			FYTD		
		Actual	Goal	Var	Actual	Goal	Var
1.	Cash Collection % (86-100%)	99.79%	100.00%	-0.2%	99.79%	100.00%	-0.2%
2.	AR days - Revenue Cycle Team	52.7	47.0	5.7	52.7	47.0	5.7
3.	First Pass Denial % - Total	8.4%	N/A	0.0%	8.4%	N/A	0.0%
4.	First Pass Denial % - Controllable	7.3%	6.6%	0.7%	7.3%	6.6%	0.7%
5.	POS Cash Collections %	37.10%	35.00%	2.1%	37.10%	35.00%	2.1%
6.	DNBP + DNFB - Rev Mgt	6.11	6.08	0.03	6.11	6.08	0.03
7.	Billed AR >90 days- All FC's + Self-pay (P)	44.13%	30.00%	14.1%	44.13%	30.00%	14.1%
8.	% of IP screened by MOPED	99.17%	98.00%	1.2%	99.17%	98.00%	1.2%
9.	% of IP conversions to Medicaid Pending	30.91%	N/A	0.0%	30.91%	N/A	0.0%
10.	% of Accounts Converted to Funded	87.06%	80.00%	7.1%	87.06%	80.00%	7.1%

Appendix



Broward Health System – Jul FY22

Income Statement Summary

Broward Health
Period Ending July 31, 2021
FY2022 (in thousands)

	Current Month					Year-to-Date				
	Jul-2021 Actual	Jul-2021 Budget	Over/(Under)	Jul-2020 Actual	Over/(Under)	Jul-2021 Actual	Jul-2021 Budget	Over/(Under)	Jul-2020 Actual	Over/(Under)
Net Operating Revenue	104,253	95,206	9,047	84,161	20,092	104,253	95,206	9,047	84,161	20,092
Operating Expenses										
Salaries	57,283	51,876	5,407	48,450	8,833	57,283	51,876	5,407	48,450	8,833
Benefits	13,554	11,143	2,411	10,631	2,923	13,554	11,143	2,411	10,631	2,923
Fees Physician	6,370	6,548	(178)	6,022	348	6,370	6,548	(178)	6,022	348
Fees Other	8,902	10,417	(1,515)	8,690	212	8,902	10,417	(1,515)	8,690	212
Supplies	23,686	20,881	2,805	19,211	4,475	23,686	20,881	2,805	19,211	4,475
Insurance	724	767	(43)	782	(58)	724	767	(43)	782	(58)
Maintenance & Repairs	1,849	1,585	264	1,433	416	1,849	1,585	264	1,433	416
Lease and Rentals	1,105	1,294	(189)	975	130	1,105	1,294	(189)	975	130
Utilities	1,537	1,557	(20)	1,598	(61)	1,537	1,557	(20)	1,598	(61)
PMATF	999	1,032	(33)	1,030	(31)	999	1,032	(33)	1,030	(31)
Other Expenses	415	436	(21)	335	80	415	436	(21)	335	80
Depreciation & Amortization	4,813	4,798	15	4,449	364	4,813	4,798	15	4,449	364
Total Expenses	121,238	112,335	8,903	103,607	17,631	121,238	112,335	8,903	103,607	17,631
Gain/(Loss) from Operations	(16,985)	(17,129)	144	(19,446)	2,461	(16,985)	(17,129)	144	(19,446)	2,461
Non-Operating Revenue/Expenses										
Unrestricted Tax Revenue	15,062	15,062	0	14,342	720	15,062	15,062	0	14,342	720
Investment Income (Net)	3,027	534	2,493	11,435	(8,408)	3,027	534	2,493	11,435	(8,408)
Interest Income	851	1,072	(221)	809	42	851	1,072	(221)	809	42
Donated/Other Revenue	224	602	(378)	37,381	(37,157)	224	602	(378)	37,381	(37,157)
Interest Expense	1,411	1,365	46	1,410	1	1,411	1,365	46	1,410	1
Donated Expense	75	153	(78)	148	(73)	75	153	(78)	148	(73)
County Funding	715	736	(21)	736	(21)	715	736	(21)	736	(21)
Non-Operating Gain/(Loss)	16,963	15,016	1,947	61,672	(44,708)	16,963	15,016	1,947	61,672	(44,708)
Excess of Revenue Over Expenses	(22)	(2,113)	2,091	42,226	(42,249)	(22)	(2,113)	2,091	42,226	(42,249)



Broward Health System – Jul FY22

Operating Indicators

Broward Health

Period Ending July 31, 2021

FY2022

	Current Month					Year-to-Date				
	Jul-2021	Jul-2021	Var %	Jul-2020	Var %	Jul-2021	Jul-2021	Var %	Jul-2020	Var %
	Actual	Budget		Actual		Actual	Budget		Actual	
Admissions	4,668	4,515	3%	4,305	8%	4,668	4,515	3%	4,305	8%
SSP Cases	2,654	2,173	22%	1,789	48%	2,654	2,173	22%	1,789	48%
ALOS	6.0	5.7	6%	6.0	0%	6.0	5.7	6%	6.0	0%
Total Hospitalizations	7,322	6,689	9%	6,094	20%	7,322	6,689	9%	6,094	20%
Births	450	405	11%	379	19%	450	405	11%	379	19%
Surgeries IP	949	1,052	(10%)	845	12%	949	1,052	(10%)	845	12%
Surgeries OP	1,241	1,292	(4%)	876	42%	1,241	1,292	(4%)	876	42%
Total Surgeries	2,190	2,344	(7%)	1,721	27%	2,190	2,344	(7%)	1,721	27%
ER Dept Visits	21,704	18,571	17%	16,468	32%	21,704	18,571	17%	16,468	32%
Outpatient Visits	15,325	15,796	(3%)	13,464	14%	15,325	15,796	(3%)	13,464	14%
Physician Office Visits	20,040	20,727	(3%)	17,521	14%	20,040	20,727	(3%)	17,521	14%
BH Weston Visits	1,900	1,709	11%	1,237	54%	1,900	1,709	11%	1,237	54%
BHUC Center Visits	0	(0)	0%	659	(100%)	0	(0)	0%	659	(100%)
BH Imaging Visits	122	127	(4%)	69	77%	122	127	(4%)	69	77%
Primary Care Visits	6,286	7,293	(14%)	6,567	(4%)	6,286	7,293	(14%)	6,567	(4%)
Gold Coast Visits	1,089	1,659	(34%)	1,167	(7%)	1,089	1,659	(34%)	1,167	(7%)



Broward Health Key Financial Indicators Trend

PERFORMANCE

<u>Key Financial Indicators</u>	Audited	Audited	Audited	Unaudited	Jul	Jul	Moody's (2018) Not For Profit	
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2021	FY 2022	Baa2	A Rated
Liquidity:								
1. Cash on Hand (Days)	233.3	248.0	272.4	277.6	263.9	266.8	136.6	215.1
2. Accounts Receivable (Days)	46.8	48.7	54.0	47.7	42.8	53.2	42.9	45.9
3. Cash-to-Direct Debt (%)	205.2%	218.2%	245.8%	284.0%	242.1%	282.4%	123.7%	167.7%
Capitalization:								
4. Debt-to-Capitalization (%)	22.0%	28.2%	27.5%	24.9%	27.0%	25.2%	38.4%	32.2%
5. Debt Service Coverage (x)	8.2	4.8	4.2	3.7	5.1	3.7	3.4	4.7
6. Capital Spending Ratio (% of Depr. Exp.)	138%	70%	113%	82%	118%	80%	100%	120%
Profitability:								
7. Operating Margin (%)	7.7%	0.0%	-3.1%	-6.0%	-14.6%	-3.5%	0.4%	2.2%



Statement of Cash Flows – Jul FY22

	FY 2021	FY 2022
	<i>YTD Jul</i>	<i>YTD Jul</i>
1. Beginning Balance Cash & Investments	835,820,710	942,406,724
2. Excess of Revenue over Expense	42,226,355	(2,192,584)
3. Add: Depreciation	4,449,463	4,813,138
4. Add: Change in Accounts Recv.	11,802,947	(10,797,957)
5. Less: Capital Expenses	(4,142,442)	3,505,598
6. Add: All Other before tax revenue	(17,858,212)	2,681,532
7. Sub totals	36,478,110	(1,990,273)
8. Ad Valorem Tax Collections	2,854,201	2,768,099
9. Ad Valorem Tax Accruals	(15,143,652)	(13,623,953)
10. Ending Balance Cash & Investments	860,009,369	929,560,597
11. Change in Cash & Investments	24,188,660	(12,846,127)



Broward Health AR Aging - Jul FY22

Combined Medical Center

NET AR

Region (All)
 Debit / Credit (All)

Sum of NetAR	Column Labels <input type="button" value="v"/>											
Row Labels <input type="button" value="v"/>	In-House	DNFB	0-30	31-60	61-90	91-120	121-150	151-180	181-270	271-360	361+	Grand Total
⊕ 2021-Jul	13,683,839	15,528,245	49,202,174	22,722,989	11,559,931	8,608,793	7,984,180	4,344,968	6,477,514	3,943,232	-7,157,676	136,898,189
⊕ 2021-Jun	12,751,498	17,412,063	43,734,418	19,223,442	13,029,667	10,340,544	5,406,247	3,817,433	6,025,296	2,768,926	-7,646,077	126,863,455
⊕ 2021-May	12,791,327	14,771,822	45,477,944	20,509,983	13,799,337	7,942,161	6,350,186	3,501,750	7,647,935	2,291,284	-7,551,448	127,532,280
⊕ 2021-Apr	14,549,802	16,413,441	44,040,419	23,044,238	11,219,282	8,523,543	4,483,926	4,017,738	5,838,347	1,946,068	-6,528,216	127,548,589
⊕ 2021-Mar	13,223,228	15,943,734	48,440,356	18,700,861	12,480,554	6,241,462	4,804,106	3,333,463	5,984,538	1,072,803	-6,921,805	123,303,300
⊕ 2021-Feb	14,828,228	14,156,982	46,957,113	22,745,174	10,200,969	6,700,702	5,055,893	4,431,477	5,714,768	1,212,407	-7,776,459	124,227,253
⊕ 2021-Jan	14,348,820	15,694,464	45,618,389	17,385,545	11,699,042	6,903,132	6,149,214	3,086,820	5,625,274	2,110,831	-7,449,257	121,172,273
⊕ 2020-Dec	12,847,639	13,374,117	40,749,573	18,145,036	9,801,026	8,134,264	4,647,218	3,647,170	5,374,918	2,384,988	-11,418,570	107,687,379
⊕ 2020-Nov	13,436,897	12,908,516	44,572,119	16,937,425	11,670,804	6,698,918	5,062,749	3,118,610	4,611,251	2,256,548	-10,776,386	110,497,451
⊕ 2020-Oct	13,047,425	13,017,709	42,647,716	17,720,209	10,502,291	7,364,943	4,155,226	2,811,044	4,136,036	2,016,544	-9,997,813	107,421,328



Broward Health Board Reports - Jul FY22

Departments reporting to the Board:

- Internal Audit
- Legal
- Compliance
- Board

Income Statement Summary

Broward Health Legal/Compliance

Period Ending July 31, 2021

FY2021 (in millions)

- Legal/Compliance Depts:
1. 1119305 - BHC - General Counsel
 2. 1119450 - BHC - Brd. of Commissioner Offices
 3. 1119460 - BHC - Internal Audit
 4. 1119480 - BHC - Legal Expense
 5. 1119660 - BHC - Corporate Compliance
 6. Total Expenses

	Current Month					Year-to-Date				
	Jul-2021 Actual	Jul-2021 Budget	Over/(Under)	Jul-2020 Actual	Over/(Under)	Jul-2021 Actual	Jul-2021 Budget	Over/(Under)	Jul-2020 Actual	Over/(Under)
	\$0.19	\$0.21	(\$0.02)	\$0.19	(\$0.00)	\$0.19	\$0.21	(\$0.02)	\$0.19	(\$0.00)
	\$0.01	\$0.02	(\$0.01)	\$0.01	(\$0.00)	\$0.01	\$0.02	(\$0.01)	\$0.01	(\$0.00)
	\$0.07	\$0.11	(\$0.04)	\$0.08	(\$0.01)	\$0.07	\$0.11	(\$0.04)	\$0.08	(\$0.01)
	\$0.03	\$0.66	(\$0.63)	(\$0.05)	\$0.08	\$0.03	\$0.66	(\$0.63)	(\$0.05)	\$0.08
	<u>\$0.20</u>	<u>\$0.19</u>	<u>\$0.01</u>	<u>\$0.20</u>	<u>(\$0.00)</u>	<u>\$0.20</u>	<u>\$0.19</u>	<u>\$0.01</u>	<u>\$0.20</u>	<u>(\$0.00)</u>
	\$0.51	\$1.19	(\$0.68)	\$0.43	\$0.08	\$0.51	\$1.19	(\$0.68)	\$0.43	\$0.08



Glossary

Term	Definition
Admissions	Inpatient encounter
Average Age of Plant	Measures the number of years embedded in accumulated amortized/depreciated costs in the Balance Sheet. Calculated by dividing Accumulated Depreciation by its related Depreciation Expense incurred during the reported period
Adjusted Patient Days	Measure that normalizes Inpatient Days to be proportionally equal to the ratio of total patient revenue over inpatient revenue. Allows for the per unit comparison of Total Patient Revenue.
Average Length of Stay	Patient Days divided by Admissions. Measures average stay of an inpatient admission in days
Capital Expenditures	Expenditures incurred which represent costs that extend beyond the current operating period for the purpose of physical plant, equipment and technology investment or replacement. These costs are depreciated/amortized over its expected useful life which is longer than one operating year
Capital Spending Ratio	Ratio of Capital Expenditures to Depreciation Expense for the last 12 months. Attempts to measure how often the organization replenishes one year's worth of depreciated capital
Case Mix Index (CMI) - All	The relative value assigned to a diagnosis-related group of all patients in a medical care environment. The CMI value is used in determining the allocation of resources to care for and/or treat the patients in the group
Case Mix Index (CMI) - Medicare	The relative value assigned to a diagnosis-related group of Medicare patients in a medical care environment. The CMI value is used in determining the allocation of resources to care for and/or treat the patients in the group
Cash to Total Debt	Ratio of Cash and Investments from unrestricted sources to Total Debt
Community Benefit	Measure of total uncompensated costs resulting from patient activity subsidized by the organization after accounting for proceeds from all governmental sources
Community Health Care Visits	OP Visits to a Community Health Center
Days Cash on Hand	Measure of the number of Days existing unrestricted cash and investments can pay for 12 months of operating expenses including interest on Total Debt
Days in Accounts Receivable	Measures average age of patients accounts in days
EBIDA	Earnings before Interest, Depreciation and Amortization. Approximation of cash generated by operating activities. Deducts non operating activities as well as non cash expenses
EBIDA Margin	EBIDA as a percent of Operating Revenue
Excess Revenue over Total Expenses	Net profit resulting from revenues (operating and non-operating) and Total Expenses
First Pass Denial	
FTE	Full Time Equivalent, converts paid hours to its full time equivalent by dividing total paid hours by 2080 (average number of hours worked by a person with a 40 hour per week shift)
Hours per Adjusted Patient Days	Computes a global productivity ratio by associating all hours to adjusted patient days



Glossary

Net Patient Revenue	Expected net proceeds earned from billed patient encounters
Non operating Expenses	Incurred costs not related to operating actives. Interest Expense and related.
Non Operating Revenue	Expected earned (realized and unrealized) proceeds not resulting from operating actives. Tax proceeds, Investment Income (realized and Unrealized), Donations proceeds
Operating Expense	Incurred costs related to activates resulting from the day to day management of the business, directly or indirectly related to the core purpose of the business
Operating Income	Net profit resulting from Operating Revenues after recognition of related Operating Expenses
Operating Margin	Operating Income as a percent of Operating Revenue
OT/Agency % of Productive Hours	Measure of premium pay management. Out of total productive hours what percent came from premium usage
Outpatient Medical Center Visits	Measure of all outpatient related visits. Includes, Emergency Treated and Released, Outpatient Surgeries, Referred Outpatient Visits, and Clinic Visits
Patient Days	Measure of length of stay for an inpatient admission in days.
Physician Practice Visits	Measures of visits conducted by employed physicians. Counts Evaluation and Management CPT codes billed and posted during the reported period
Short Stay Cases / (Observation)	Patients that have remained in a bed but do not meet the definition of an inpatient Admission
Short Stay / (Observation)Days	Measure of length of stay for a short stay case. May be les than 1
Supplies per Adjusted Patient Days	Computes a global efficiency ratio by associating the cost of all supplies to adjusted patient days.
Surgeries	Measure or count of inpatient or outpatient procedures performed in an OR suite or patient room.
SWB % of NOR	Measure of cost efficiency for Salary Wages and Benefits as a percent of Net Operating Revenue. Analyzes the organizations ability to flex cost up or down relative to fluxuations in Net Operating Revenue
Total Debt	Aggregate of all liabilities, short-term (payable during operating period) and long-term (payable after the current operating period)
Total ED Visits	Measure of encounters that took place in the Emergency Department inclusive of Trauma cases. Includes patients treated and released as well as patients subsequently admitted
Total Expenses	All incurred expense, operating and non operating
Total Operating Revenue	Expected net proceeds earned from operating activities, includes patient and non patient related sources
UCC Visits	Measures of visits conducted by employed physicians or qualified Nurse Practitioner in an Urgent Care setting. Counts Evaluation and Management CPT codes billed and posted during the reported period.