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# Erie County Medical Center Corporation



Operating and Capital Budgets  
For the year ending 2025



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# Management Discussion and Analysis

September 30, 2024

The year ending December 2024 has been a year of positive movement along our stepped recovery path. The 2025 Budget maintains that path while also continuing to further the ECMCC Strategic Plan which focuses on both short and long-term growth, expanding access to care in our surrounding community and investing in the workforce to meet certain staffing requirements resulting in continuous financial and operational improvement despite the ongoing industry and market challenges. ECMCC's long-term goals will continue to be measured through the achievement of the ECMCC mission: improving clinical quality, service excellence, and the continued provision of health services to the communities ECMCC serves with compassion. In the short-term a renewed focus has been placed on retention of staff through investments in our people and steady growth through improved patient access.

# Management Discussion and Analysis

The industry generally is also seeing financial and operational recovery, while also experiencing many of the similar financial and operational challenges both locally and nationally. ECMCC has recognized that growth, improved efficiency, and reimbursement enhancements along with future external support are needed to properly provide for a pathway to sustainability. Despite the significant operating and admission challenges seen in the local community care settings ECMCC's 2025 goal is to improve operating results before accounting for actuarial expense increases through efficiency and revenue improvements, as well as programmatic growth without impacting the critical services we provide while simultaneously maintaining our exceptional quality outcomes. The proposed 2025 operating budget reflects an operating loss of \$35 million before grant support. The proposed budget has been developed with the following goals in mind:

## *Budget Goals*

- ✓ Maintain the highest quality of care provided
- ✓ Maintain critical services provided to the community
- ✓ Continue a stepped approach to recovery while managing community admission challenges
- ✓ Maintain routine capital and equipment upgrades
- ✓ Maximize retention of staff, improve staffing efficiency and meet NYS minimum standards
- ✓ Prepare the budget to accomplish the goals without significant job actions

# Management Discussion and Analysis

Budgetary assumptions are a key component of the process that was followed in developing the Budget. The following summarizes Management's perspective in the development of these assumptions

## *Activity Levels*

The Budget has been prepared using the actual volume seen during 2024 as a baseline. Further consideration was given to the changes internally related to recent trends in volume and activity, an improvement in the ability to discharge patients and ultimately reduced length of stay, the shift of inpatient cases into the outpatient setting as a result of changing regulations and payer payment policies, growth of various service lines, new physician recruitment, as well as other factors. Management believes that the levels of activity contained within the Budget are achievable.

# Management Discussion and Analysis

## *Revenue and Reimbursement*

Projected reimbursement from government payers is based on current and proposed regulations where Management has evaluated as probable. Reimbursement from commercial payers is based on current contracts or at rates that Management has evaluated as probable for contracts currently being negotiated. Increases in net revenue associated with revenue cycle improvement initiatives related to contract underpayments and payer denial management have also been incorporated at levels that Management believes are attainable.

Other operating revenue has been budgeted based on historical experience while taking into account the impact of anticipated growth and improved efficiency in the operation of ECMCC's Specialty Pharmacy services provided to our patients.

Disproportionate share and upper payment limit payments have been budgeted based on the most current information available to Management.

# Management Discussion and Analysis

## *Operating Expenses*

Projected operating expenses are budgeted based on the volume of anticipated activity, along with adjustments for salary rate increases consistent with current collective bargaining agreements, estimated benefit costs as adjusted for actuarially projected gains or losses, supply and other expense inflation rates as well as impacts of performance improvement initiatives. Management believes that the overall growth in expenses of approximately 8.3% contained in the budget are reasonable given the significant increases in actuarially driven benefit costs, volume related supply costs and specialty pharmacy drug costs.

## *Non-Operating Revenue*

Non-Operating Revenues have been budgeted consistent with the recent historical trends related to investment income. The reduction is the result of an anticipated decrease in available investments in 2025 and an assumption that interest rates will decline from 2024 levels. Although ECMCC expects to continue to work closely with NYS on future funding needs for 2025 as a participant in the Vital Access Provider Assurance grant program, Management has elected not to include any additional Federal or New York State operational support for planning purposes in the 2025 operating budget.

# Management Discussion and Analysis

## *Cash Flows*

2025 cash flow will remain a key focus of Management given the challenges. Cash flows have been budgeted based on the results of operations, investments in routine and non-routine capital assets, principal payments on long-term debt, continued investments in our clinically integrated network and the funding of employee benefit plans. In an effort to avoid reducing critical services through significant program and personnel cuts the budget reflects losses which may result in a need for future operational and capital cash flow support from governmental agency partners including New York State.

## *Range of Outcomes and Contingency Plans*

Management has considered the sensitivity of each material assumption within the Budget. Management believes that the Budget is reasonably positioned within the range of potential outcomes and recognizes its responsibility for achieving these results. Given the uncertainty of certain material assumptions related to uncertain inflationary pressures, community post-acute capacity, staffing and retention challenges, emergent capital or technology needs, future governmental reimbursement and benefit cost fluctuations, Management acknowledges that it may have to adjust operationally during 2025.



# Regulatory Budget Reporting Requirements

- All requirements have been met
  - NYCRR, Part 203, Chapter V, Title 2
  - This package communicates each of the 18 requirements
- New York State Office Of The State Comptroller
- Authority Budget Office
- PARIS submission and certification

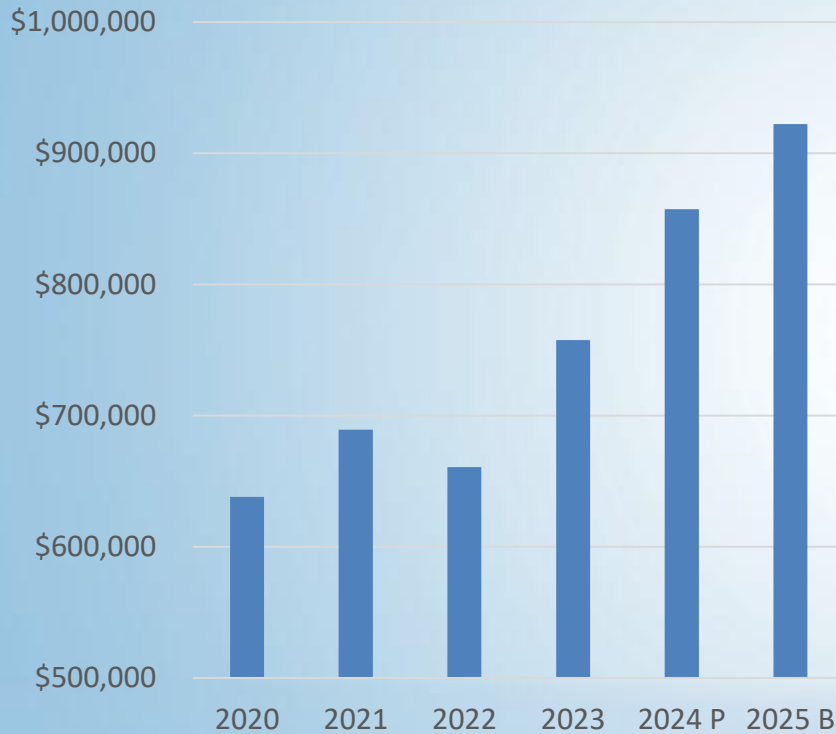


# Budget Process

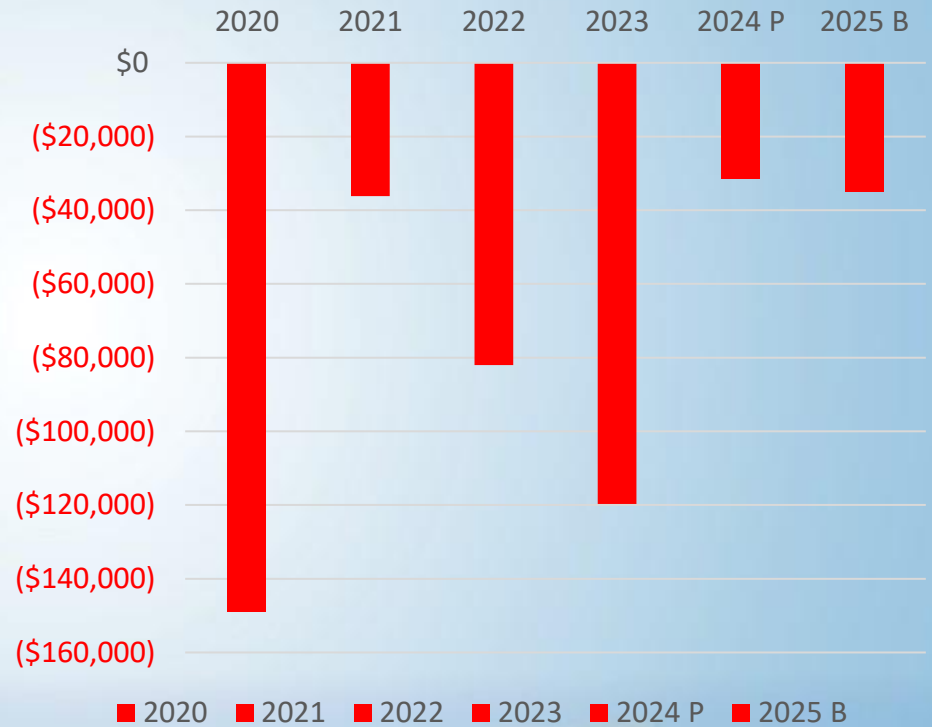
- Executive Leadership Team (ELT) adopt budget schedule and goals
- Using 2024 year-to-date performance and known or anticipated budget variances, a baseline budget and financial projections were prepared
- Department managers worked with ELT to develop departmental targets and performance improvement initiatives
- ELT budget recommendation reviewed and approved by Finance Committee of ECMCC Board
- Budget recommendation reviewed and approved by ECMCC Board



# Revenue



# Operating Margin



## Footnotes:

- 2025 Budgeted margin includes an \$11M increase in actuarial benefit expenses
- For comparability purposes in this chart, operating margins exclude all investment gains, CARES/ARP/PPP/FEMA and NYS VAPAP grants

# Key Financial Ratios

	<u>2022</u>	<u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Budget</u> <u>2025</u>
Operating Margin %	-10.8%	-14.2%	-3.7%	-3.8%
NYS PBC Average %	-16.1%	-14.3%		
Operating EBITDA %	4.6%	-6.0%	3.3%	2.4%
NYS PBC Average %	-10.0%	-8.2%		
FTE's	3,473	3,684	3,738	3,802
Days Operating Cash On Hand	29	14	32	15
NYS PBC Average	49	26		
Debt Service Coverage	1.5	2.2	1.8	0.2
NYS PBC Average	(0.5)	(0.5)		
Salaries, Wages & Benefits % of Revenue	61.5%	76.2%	68.5%	69.9%
Supply Expense % of Revenue	20.8%	21.9%	22.0%	22.7%
Benefit % of Salaries and Wages	12.9%	35.7%	29.3%	34.7%
Days In Accounts Receivable, net	53.9	66.0	59.0	55.0

# Statements of Revenues and Expenses

## (Thousands)

	<u>2023 Audited</u>	<u>2024 Projection</u>	<u>2025 Budget</u>	<u>Increase (Decrease)</u>	
Net Patient Revenue	603,720	670,943	719,848	48,905	7.3%
Disproportionate Share / IGT and UPL Payments	107,105	123,299	130,932	7,633	6.2%
Other Operating Revenues	<u>46,639</u>	<u>60,968</u>	<u>74,547</u>	<u>13,579</u>	<u>22.3%</u>
Total Operating Revenues	<u>757,464</u>	<u>855,210</u>	<u>925,327</u>	<u>70,117</u>	<u>8.2%</u>
Operating Expenses					
Salaries and Wages	339,019	355,319	373,418	18,099	5.1%
Employee Benefits	121,079	104,182	129,688	25,506	24.5%
Physician & Resident Fees	110,577	115,517	123,394	7,877	6.8%
Purchased Services	81,712	74,209	81,281	7,072	9.5%
Supplies	132,197	147,840	163,047	15,207	10.3%
Other Expenses	30,529	29,913	32,381	2,468	8.3%
Depreciation	49,812	48,209	45,603	(2,606)	-5.4%
Interest	<u>12,264</u>	<u>11,438</u>	<u>11,513</u>	<u>75</u>	<u>0.7%</u>
Total Operating Expenses	<u>877,189</u>	<u>886,627</u>	<u>960,325</u>	<u>73,698</u>	<u>8.3%</u>
Operating Income	(119,725)	(31,417)	(34,998)	(3,581)	-11.4%
Grant revenue	<u>107,230</u>	<u>25,480</u>	<u>-</u>	<u>(25,480)</u>	<u>-100.0%</u>
Income/(Loss) from Operations with grants	(12,495)	(5,937)	(34,998)	(29,061)	-489.5%
Non Operating Revenues	<u>6,283</u>	<u>5,836</u>	<u>3,734</u>	<u>(2,102)</u>	<u>-36.0%</u>
Excess of Revenues Over Expenses	<u>(6,212)</u>	<u>(101)</u>	<u>(31,264)</u>	<u>(31,163)</u>	<u>-30956.6%</u>

# Statements of Net Position

(Thousands)

	<u>2023 Audited</u>	<u>2024 Projection</u>	<u>2025 Budget</u>	<u>Increase (Decrease)</u>	
<b>Assets</b>					
Current Assets					
Cash	\$ 20,773	\$ 33,170	\$ 28,998	\$ (4,172)	-12.6%
Patient Accounts Receivable, Net	102,389	108,086	108,460	374	0.3%
Other Current Assets	66,654	82,458	83,952	1,494	1.8%
Total Current Assets	<u>189,816</u>	<u>223,714</u>	<u>221,410</u>	<u>(2,304)</u>	<u>-1.0%</u>
Assets Whose Use Is Limited	170,619	164,108	166,180	2,072	1.3%
Property and Equipment, Net	313,038	272,828	235,226	(37,602)	-13.8%
Other Assets	168,370	168,189	160,550	(7,639)	-4.5%
<b>Total Assets</b>	<u>841,843</u>	<u>828,839</u>	<u>783,366</u>	<u>(45,473)</u>	<u>-5.5%</u>
<b>Liabilities and Net Assets</b>					
Current Liabilities					
Current Portion of Long Term Debt	38,537	37,465	25,488	(11,977)	-32.0%
Accounts Payable, Third-Party & Accrued	271,026	269,680	284,656	14,976	5.6%
Total Current Liabilities	<u>309,563</u>	<u>307,145</u>	<u>310,144</u>	<u>2,999</u>	<u>1.0%</u>
Long Term Debt	225,197	217,508	206,020	(11,488)	-5.3%
Deferred Inflows	84,739	84,976	85,976	1,000	1.2%
Other Post Employment Benefits	281,585	262,097	269,960	7,863	3.0%
Self Insurance Liabilities	216,926	233,381	218,798	(14,583)	-6.2%
Total Liabilities	<u>1,118,010</u>	<u>1,105,107</u>	<u>1,090,898</u>	<u>(14,209)</u>	<u>-1.3%</u>
<b>Net Position</b>	<u>(276,167)</u>	<u>(276,268)</u>	<u>(307,532)</u>	<u>(31,264)</u>	<u>-11.3%</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 841,843</u>	<u>\$ 828,839</u>	<u>\$ 783,366</u>	<u>\$ (45,473)</u>	<u>-5.5%</u>

# Statements of Cash Flow

## (Thousands)

	<b>Audited 2023</b>	<b>Projected 2024</b>	<b>Budget 2025</b>
<b>Cash Flows From Operating Activities</b>			
Excess of Revenues Over Expenses	\$ (6,212)	\$ (101)	\$ (31,264)
Depreciation & Amortization	49,812	48,209	45,603
Provision for Bad Debt	4,596	15,014	15,427
(Increase) Decrease in Non-operating revenues	(101,248)	(19,879)	7,779
(Increase) Decrease in Patient Accounts Receivable, Net	(23,416)	(20,711)	(15,801)
(Increase) Decrease in Current and Other Assets	37,223	(15,622)	6,144
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	268,289	(1,345)	14,976
Increase (Decrease) in Deferred In-Flows	(289,185)	236	1,000
Increase (Decrease) in Self Insurance Liabilities	3,238	(3,032)	(6,720)
Net Cash Provided By (Used In) Operating Activities	<u>(56,903)</u>	<u>2,769</u>	<u>37,144</u>
<b>Cash Flows From Investing Activities</b>			
Other Investing Activities, Net	<u>(10,215)</u>	<u>12,347</u>	<u>1,662</u>
Net Cash Provided By (Used In) Investing Activities	<u>(10,215)</u>	<u>12,347</u>	<u>1,662</u>
<b>Cash Flows From Financing Activities</b>			
Additions to Property and Equipment	(12,554)	(8,000)	(8,000)
Non-operating grants	80,229	25,480	-
Changes in Long-Term Debt	(23,979)	(20,199)	(34,978)
Net Cash Provided By (Used In) Financing Activities	<u>43,696</u>	<u>(2,719)</u>	<u>(42,978)</u>
<b>Net Increase (Decrease) in Cash and Investments</b>	(23,422)	12,397	(4,172)
<b>Cash, Beginning</b>	<u>44,195</u>	<u>20,773</u>	<u>33,170</u>
<b>Cash, Ending</b>	<u>\$ 20,773</u>	<u>\$ 33,170</u>	<u>\$ 28,998</u>

# Operating Performance Reconciliation

## (Thousands)

	<u>2024 Budget</u>	<u>2025 Budget</u>	<u>Increase / (Decrease)</u>
<b>2024 Budgeted Loss from Operations</b>			\$ (35,005)
Operating Revenues			
Net Patient Service Revenue	\$ 645,857	\$ 719,848	73,991
Disproportionate Share, IGT and UPL Revenue	123,280	130,932	7,652
Other Operating Revenue	49,890	74,547	24,657
Total Operating Revenues	<u>819,027</u>	<u>925,327</u>	<u>106,300</u>
Operating Expenses			
Salaries and Benefits	446,981	503,106	56,125
Physician Fees and Professional Services	199,443	204,675	5,232
Supplies	130,625	163,047	32,422
Other Expenses	30,136	32,381	2,245
Depreciation and Amortization	37,100	45,603	8,503
Interest	9,747	11,513	1,766
Total Operating Expenses	<u>854,032</u>	<u>960,325</u>	<u>106,293</u>
<b>2025 Budgeted Loss from Operations</b>	<u>\$ (35,005)</u>	<u>\$ (34,998)</u>	<u>\$ (34,998)</u>



# Principal Budget Assumptions

- Volume
- Patient Revenue and Reimbursement
- IGT / UPL Payments
- Other Revenues
- Staffing Costs / Non-Clinical Vacancy Management
- Other Expenses
- Cash Flows



# Volume Summary

	2023	2024	2025	Increase (Decrease)	
	<u>Actual</u>	<u>Projection</u>	<u>Budget</u>	<u>24 - 25</u>	<u>%</u>
Discharges					
Acute	12,579	13,174	13,456	282	2.1%
Other	5,066	5,234	5,250	16	0.3%
Total	<u>17,645</u>	<u>18,408</u>	<u>18,706</u>	<u>298</u>	<u>1.6%</u>
Average Length of Stay					
Acute	8.1	7.8	7.5	(0.3)	-3.6%
Other	11.9	11.0	11.2	0.2	2.0%
Total	<u>9.5</u>	<u>8.7</u>	<u>8.5</u>	<u>(0.2)</u>	<u>-2.4%</u>
Observation Cases	2,884	3,303	3,303	(0)	0.0%
Outpatient Visits	297,224	300,768	307,976	7,208	2.4%
Clinics	154,566	158,929	163,814	4,885	3.1%
Behavioral Health	36,547	35,564	37,868	2,304	6.5%
Chemical Dependency	20,592	18,709	19,398	689	3.7%
Dialysis	25,109	25,368	25,621	253	1.0%
Other	60,410	62,197	61,275	(922)	-1.5%
Surgical Cases					
Inpatient	5,407	5,523	6,189	666	12.1%
Outpatient	7,914	8,062	8,511	449	5.6%
Total	<u>13,321</u>	<u>13,585</u>	<u>14,700</u>	<u>1,115</u>	<u>8.2%</u>
Case Mix Index - Acute	<u>1.81</u>	<u>1.91</u>	<u>1.88</u>	<u>(0.03)</u>	<u>-1.7%</u>
Emergency Visits	54,435	55,013	56,444	1,431	2.6%
CPEP Visits	9,508	9,810	10,157	347	3.5%
Terrace View ADC	364.8	369.0	380.0	11.0	3.0%

# Revenue

- Net average revenue rate increase of 7% (includes all payers)
  - Larger increase is driven by add-ons for Medicare Wage Index
- Acute – IP Discharges of 2.1% increase from 2024 levels
  - Growth in inpatient cases related to improved community skilled nursing facility access, average length of stay reductions, and growth from increased admissions from an increase in emergency department visits and expanded operating room hours increasing surgical procedures
- Outpatient visits increase of 2.4% increase from 2024 levels
  - Increases in specialty clinic visits
- Terrace View average daily census increase of 3% to 380 residents
  - Staffing levels have increased and units reopened to allow for increased census
- IGT – Year over year growth based upon estimated net changes in allowable costs net of increases in associated Medicaid revenue
- Revenue cycle process improvements of \$5M included within contract underpayments, denials, bad debt expense reductions and improved coding and documentation



# DSH/IGT and UPL Revenue (Accrual Basis Revenue)

	<b>Budget <u>2024</u></b>	<b>Projected <u>2024</u></b>	<b>Budget <u>2025</u></b>
DSH	\$ 100,351	\$ 109,804	\$ 117,437
UPL	<u>16,000</u>	<u>13,495</u>	<u>13,495</u>
Total	<u><u>\$ 116,351</u></u>	<u><u>\$ 123,299</u></u>	<u><u>\$ 130,932</u></u>

# Expenses

- Salaries
  - Increase in overall FTE's to 3,802 (3,760 - @ 8/31/24)
    - NYS minimum staffing reg's, expanded and/or new services (OR hours, mammography), NYS VAP grant funded infrastructure
  - Reduced premium costs (OT and shift bonuses)
  - Contracted salary increases total an average of 3.5%
  - Non-Union wage increases total 3%
  - Implementation of other contracted enhancements (step changes, other shift pay changes)
- Benefits
  - Increased health insurance costs, workers compensation, unemployment related costs
  - \$7M increase in pension expense due to higher FTEs, salaries, actuarial assumptions and ECMCC's increased share of the cost
  - \$11M increase in post-retiree health benefit cost as a result of actuarial assumption impact estimates

# Expenses (cont'd)

- Physician & Residents
  - Significant physician service contracted fee increases for various service lines
  - University faculty (GME) and resident salary inflation
- Contractual Fees/Purchased Services
  - Continued use of temporary agency nursing personnel with an anticipated reduction from current levels, while maintaining desired staffing
  - Increase in software expense due to inflation along with new tools for improving clinical efficiencies along with related maintenance and support costs
  - Increased costs for specialty pharmacy program operations due to increased volume

# Expenses (cont'd)

- Supplies
  - Increase in volume from projected 2024 volume levels including an 8.2% increase in total surgeries
  - Inflationary increases in all supply categories, most significant in pharmacy costs partially offset by savings initiatives (physician preference, pricing, joint contracting)
  - Increase in specialty pharmacy drug costs due to program expansion
  - Supply chain direct cost savings initiatives of \$2.25 million
- Depreciation and Interest
  - Decreased overall depreciation and interest costs
    - Expense based upon remaining depreciation on existing assets plus new capital anticipated.
    - Reduced non-project capital expenditures during 2020 - 2024.

# Cash Flow Assumptions

- Net change in cash of (\$4.2) million without any 2025 NYS operating grants
  - Days operating cash on hand decreased to 15 days from projected 2024 (excludes designated funds)
- Days in accounts receivable improving to 55 days
- Days in accounts payable holding at 60 days
- Routine capital budget spend consistent with 2023 and 2024 at \$8.0 million
- Line of credit balance paid when expires
- Pension payment increase of \$7 million



# Performance Improvement Initiatives

- Length of stay improvements
- Revenue cycle improvement initiatives
- Non-clinical vacancy management / premium time reduction
- Value analysis program reducing supply costs
- Reduction in certain purchased services
- Inpatient and outpatient growth strategies
- Continued infrastructure investment in population health strategies
- Insurance plan relationships, increased rates through contracting, MCR wage index, improved governance

# Emerging Issues and Risk Areas

- Timing of future DSH/IGT payments
- Operating performance improvements
  - Market driven length of stay challenges (Post-acute staffing)
  - Recruitment and retention risks
  - FTE vacancy management risks
- Continued inflationary pressures on non-salary operating costs and pharmaceutical shortages
- Federal and NYS operational support uncertainty
- Federal and NYS reimbursement uncertainty
- Inpatient and outpatient volume sensitivity
  - Ambulatory surgery market
- Benefit expense and contribution changes
  - Pension and OPEB
- Technology limitations - EHR

# 2025 Capital Budget Summary

Given stepped recovery, ECMCC must limit routine capital spending funding from internal operations and remain consistent with 2024

- \$8 Million routine capital spend (*\$8M in 2024*)
  - \$8M from internal operating funds

# 3 Year Financial Projections

- Reimbursement rate increases adjusted to historical net rate increases, excluding one-time increases
- IGT/UPL at current projections
- Salary expense consistent with current collective bargaining agreements
- Benefits % of salary expense steady throughout projection period
- Supply and other expense inflation consistent with 2024 and 2025
- Reflects potential cash flow need for additional operational Federal and/or New York State support in addition to management potential future operational improvements

## Statements of Revenues and Expenses – Projected

(Thousands)

	Audited 2023	Projected 2024	Budget 2025	2026	Projected 2027	2028
<b>Operating Revenues</b>						
Net Patient Service Revenue	\$ 603,720	\$ 670,943	\$ 719,848	\$ 755,354	\$ 791,457	\$ 827,978
Disproportionate Share, IGT and UPL Revenue	107,105	123,299	130,932	130,932	130,932	130,932
Other Operating Revenue	46,639	60,968	74,547	75,293	76,046	76,806
Total Operating Revenues	<u>757,464</u>	<u>855,210</u>	<u>925,327</u>	<u>961,579</u>	<u>998,435</u>	<u>1,035,716</u>
<b>Operating Expenses</b>						
Salaries and Benefits	460,098	459,501	503,106	548,198	574,327	601,668
Physician Fees and Professional Services	192,289	189,726	204,675	208,768	212,944	217,202
Supplies	132,197	147,840	163,047	171,376	177,799	184,332
Other Expenses	30,529	29,913	32,381	34,020	35,742	37,552
Depreciation and Amortization	49,812	48,209	45,603	43,140	40,808	38,602
Interest	12,264	11,438	11,513	11,589	11,665	11,741
Total Operating Expenses	<u>877,189</u>	<u>886,627</u>	<u>960,325</u>	<u>1,017,091</u>	<u>1,053,285</u>	<u>1,091,097</u>
Operational Support & Improvements	-	-	-	38,012	44,850	50,381
<b>Income/(Loss) from Operations</b>	<u>(119,725)</u>	<u>(31,417)</u>	<u>(34,998)</u>	<u>(17,500)</u>	<u>(10,000)</u>	<u>(5,000)</u>
Grant revenue	107,230	25,480	-	-	-	-
<b>Income/(Loss) from Operations with Grants</b>	<u>(12,495)</u>	<u>(5,937)</u>	<u>(34,998)</u>	<u>(17,500)</u>	<u>(10,000)</u>	<u>(5,000)</u>
Non Operating Revenues & Capital Contributions	6,283	5,836	3,734	3,734	3,734	3,734
<b>Excess of Revenues Over Expenses</b>	<u>\$ (6,212)</u>	<u>\$ (101)</u>	<u>\$ (31,264)</u>	<u>\$ (13,766)</u>	<u>\$ (6,266)</u>	<u>\$ (1,266)</u>

# Statements of Financial Position – Projected

## (Thousands)

	Audited 2023	Projected 2024	Budget 2025	2026	Projected 2027	2028
<b>ASSETS</b>						
Current Assets						
Cash	\$ 20,773	\$ 33,170	\$ 28,998	\$ 33,237	\$ 33,050	\$ 39,394
Patient Accounts Receivable	102,389	108,086	108,460	113,795	119,240	124,741
Other Current Assets	66,654	82,458	83,952	85,021	86,602	87,578
Total Current Assets	<u>189,816</u>	<u>223,714</u>	<u>221,410</u>	<u>232,053</u>	<u>238,892</u>	<u>251,713</u>
Assets Whose Use Is Limited	170,619	164,108	166,180	167,317	168,486	170,691
Property and Equipment	313,038	272,828	235,226	202,086	186,277	172,675
Other Assets	168,370	168,189	160,550	159,261	158,053	156,925
<b>Total Assets</b>	<u>\$ 841,843</u>	<u>\$ 828,839</u>	<u>\$ 783,366</u>	<u>\$ 760,717</u>	<u>\$ 751,708</u>	<u>\$ 752,004</u>
<b>LIABILITIES AND NET ASSETS</b>						
Current Liabilities						
Current Portion of Long Term Debt	\$ 38,537	\$ 37,465	\$ 25,488	\$ 22,509	\$ 18,902	\$ 15,686
Accounts Payable, Third-Party & Accrued	271,026	269,680	284,656	287,101	286,258	285,818
Total Current Liabilities	<u>309,563</u>	<u>307,145</u>	<u>310,144</u>	<u>309,610</u>	<u>305,160</u>	<u>301,504</u>
Long Term Debt	225,197	217,508	206,020	193,511	184,609	178,923
Deferred Inflows	84,739	84,976	85,976	86,976	87,976	88,976
Other Post Employment Benefits	281,585	262,097	269,960	278,059	286,401	294,993
Self Insurance Reserves	216,926	233,381	218,798	213,859	215,126	216,438
Total Liabilities	<u>1,118,010</u>	<u>1,105,107</u>	<u>1,090,898</u>	<u>1,082,015</u>	<u>1,079,272</u>	<u>1,080,834</u>
Net Position	<u>(276,167)</u>	<u>(276,268)</u>	<u>(307,532)</u>	<u>(321,298)</u>	<u>(327,564)</u>	<u>(328,830)</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 841,843</u>	<u>\$ 828,839</u>	<u>\$ 783,366</u>	<u>\$ 760,717</u>	<u>\$ 751,708</u>	<u>\$ 752,004</u>

# Statements of Cash Flow - Projected

## (Thousands)

	Audited 2023	Projected 2024	Budget 2025	2026	Projected 2027	2028
<b>Cash Flows From Operating Activities</b>						
Excess of Revenues Over Expenses	\$ (6,212)	\$ (101)	\$ (31,264)	\$ (13,766)	\$ (6,266)	\$ (1,266)
Depreciation & Amortization	49,812	48,209	45,603	43,140	40,808	38,602
Provision for bad debt	4,596	15,014	15,427	15,747	15,784	15,821
(Increase) Decrease in Non-operating revenues	(101,248)	(19,879)	7,779	7,855	7,931	8,008
(Increase) Decrease in Patient Accounts Receivable, Net	(23,416)	(20,711)	(15,801)	(21,082)	(21,229)	(21,322)
(Increase) Decrease in Current and Other Assets	37,223	(15,622)	6,144	221	(373)	151
Increase (Decrease) in Accounts Payable, Third-Party & Accrued	268,289	(1,345)	14,976	2,444	(842)	(440)
Increase (Decrease) in Deferred In Flows	(289,185)	236	1,000	1,000	1,000	1,000
Increase (Decrease) in Self Insurance Liabilities	3,238	(3,032)	(6,720)	3,160	9,609	9,904
Net Cash Provided By (Used In) Operating Activities	(56,903)	2,769	37,144	38,719	46,422	50,458
<b>Cash Flows From Investing Activities</b>						
Other Investing Activities, Net	(10,215)	12,347	1,662	2,597	2,565	1,529
Net Cash Provided By (Used In) Investing Activities	(10,215)	12,347	1,662	2,597	2,565	1,529
<b>Cash Flows From Financing Activities</b>						
Additions to Property and Equipment	(12,554)	(8,000)	(8,000)	(10,000)	(25,000)	(25,000)
Non-operating grants	80,229	25,480	-	-	-	-
Changes in Long Term Debt	(23,979)	(20,199)	(34,978)	(27,077)	(24,174)	(20,643)
Net Cash Provided By (Used In) Financing Activities	43,696	(2,719)	(42,978)	(37,077)	(49,174)	(45,643)
<b>Net Increase (Decrease) in Cash and Investments</b>	(23,422)	12,397	(4,172)	4,239	(187)	6,344
Cash, Beginning	44,195	20,773	33,170	28,998	33,237	33,050
<b>Cash, Ending</b>	<u>\$ 20,773</u>	<u>\$ 33,170</u>	<u>\$ 28,998</u>	<u>\$ 33,237</u>	<u>\$ 33,050</u>	<u>\$ 39,394</u>