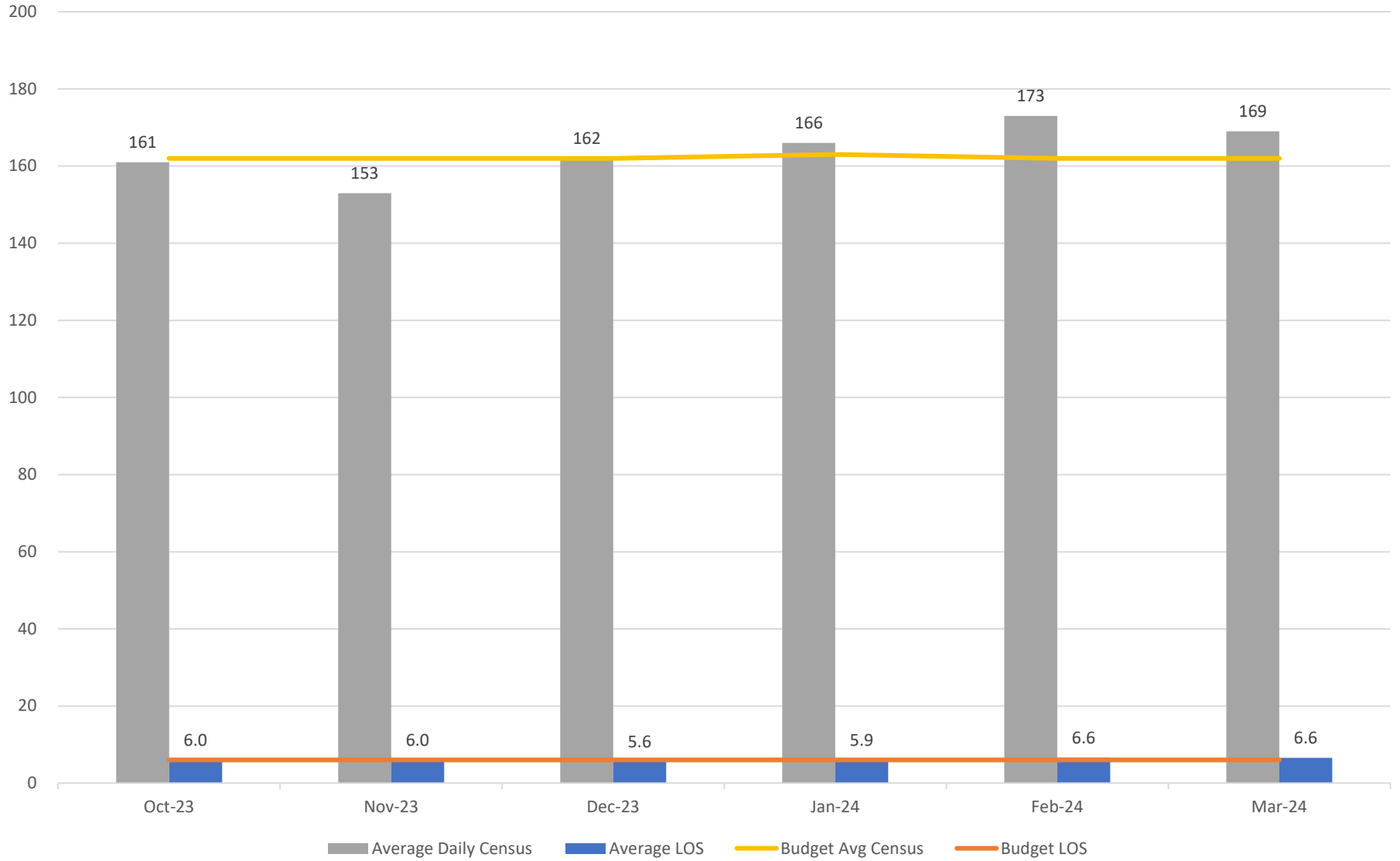


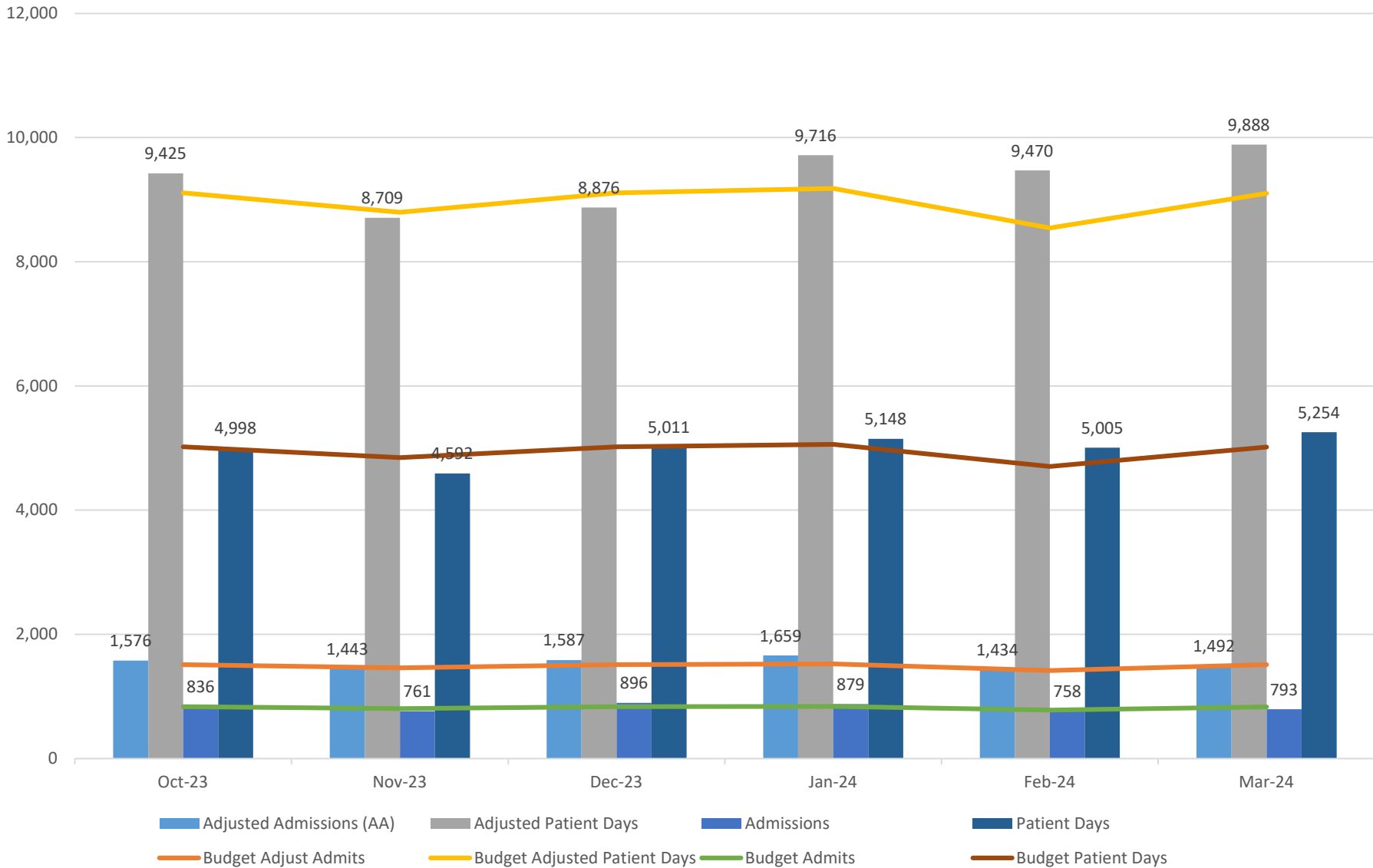


**BOARD OF GOVERNORS' REPORT
KERN MEDICAL – MARCH 2024**

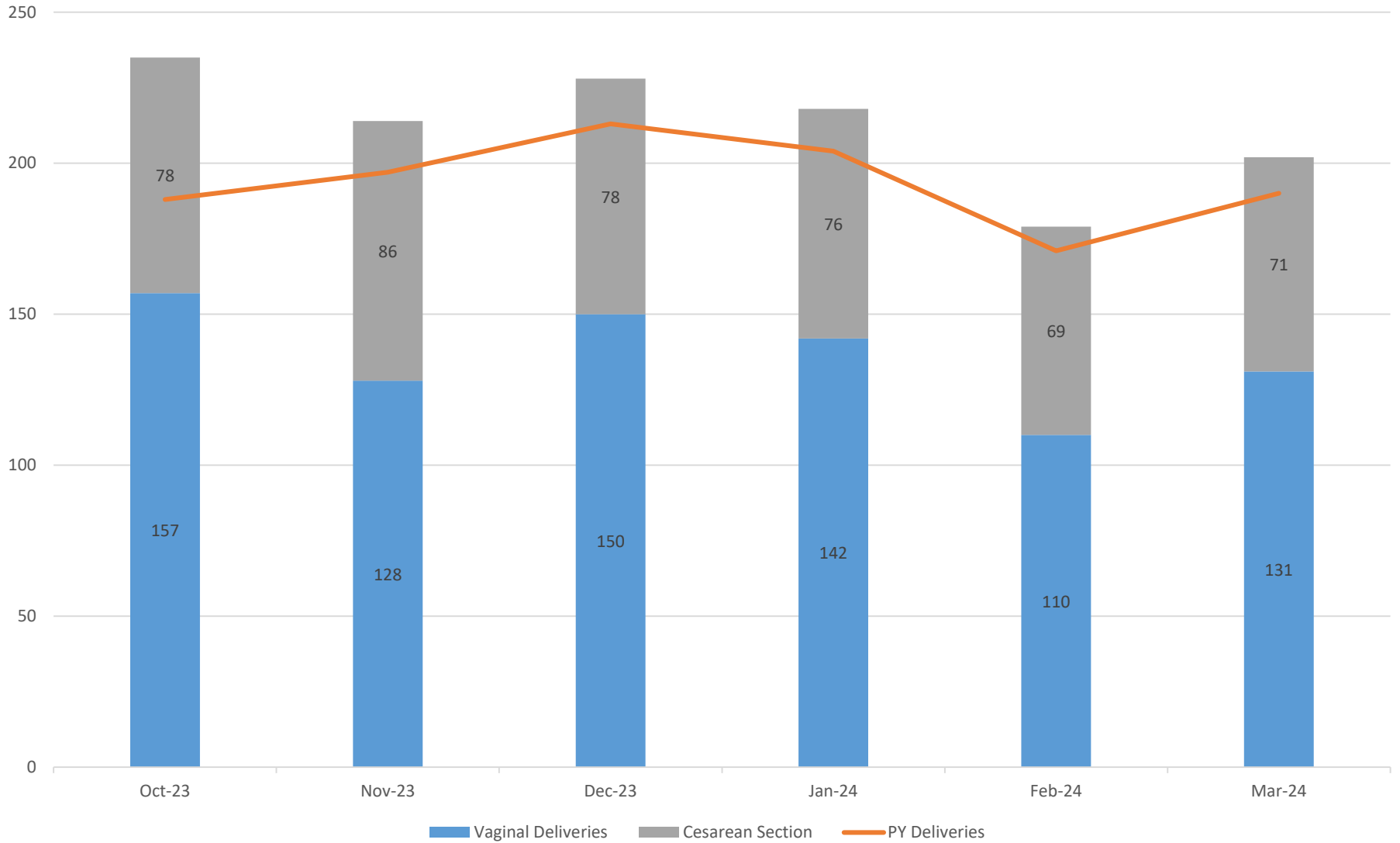
Census & ALOS



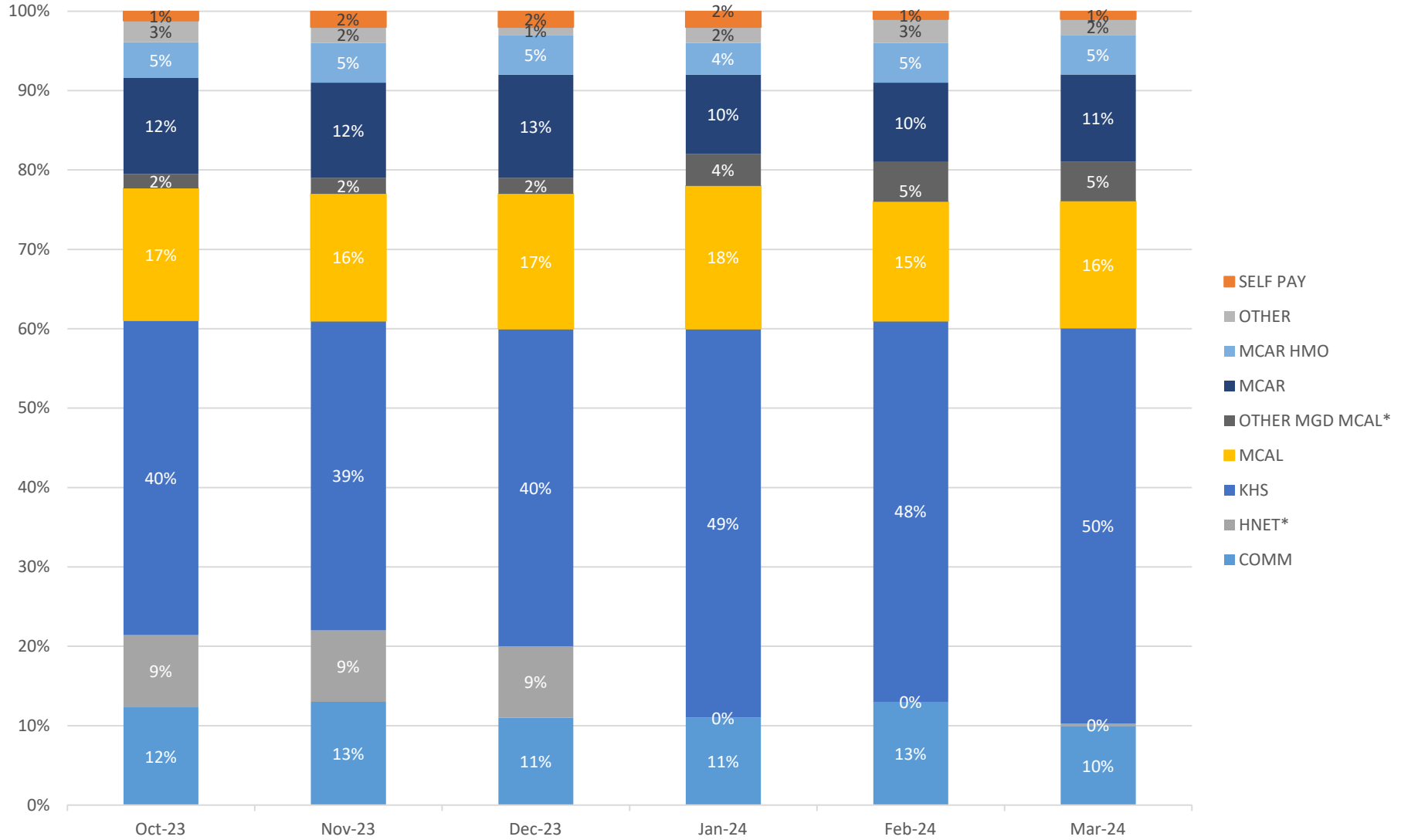
Hospital Volumes



Deliveries

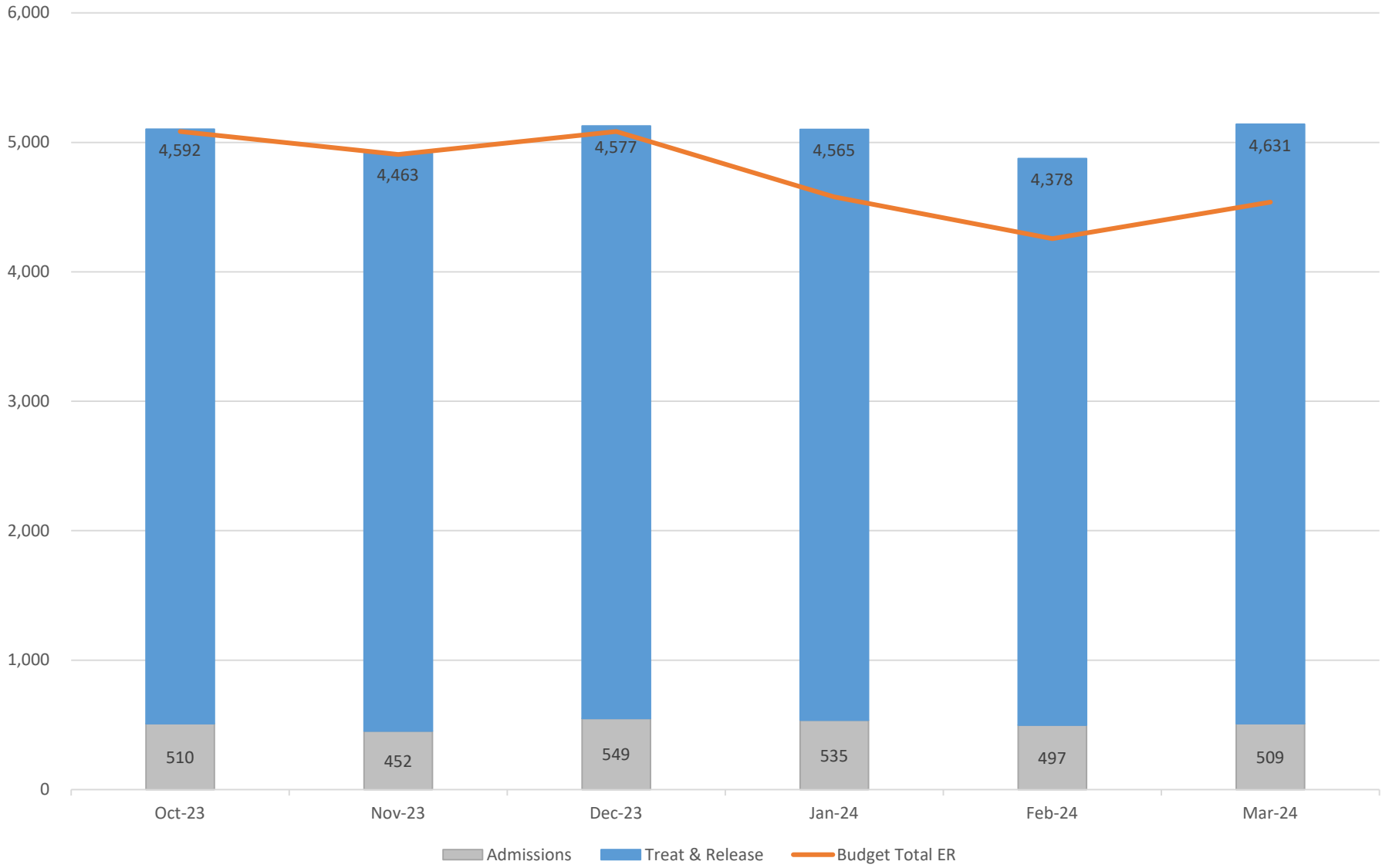


PAYER MIX

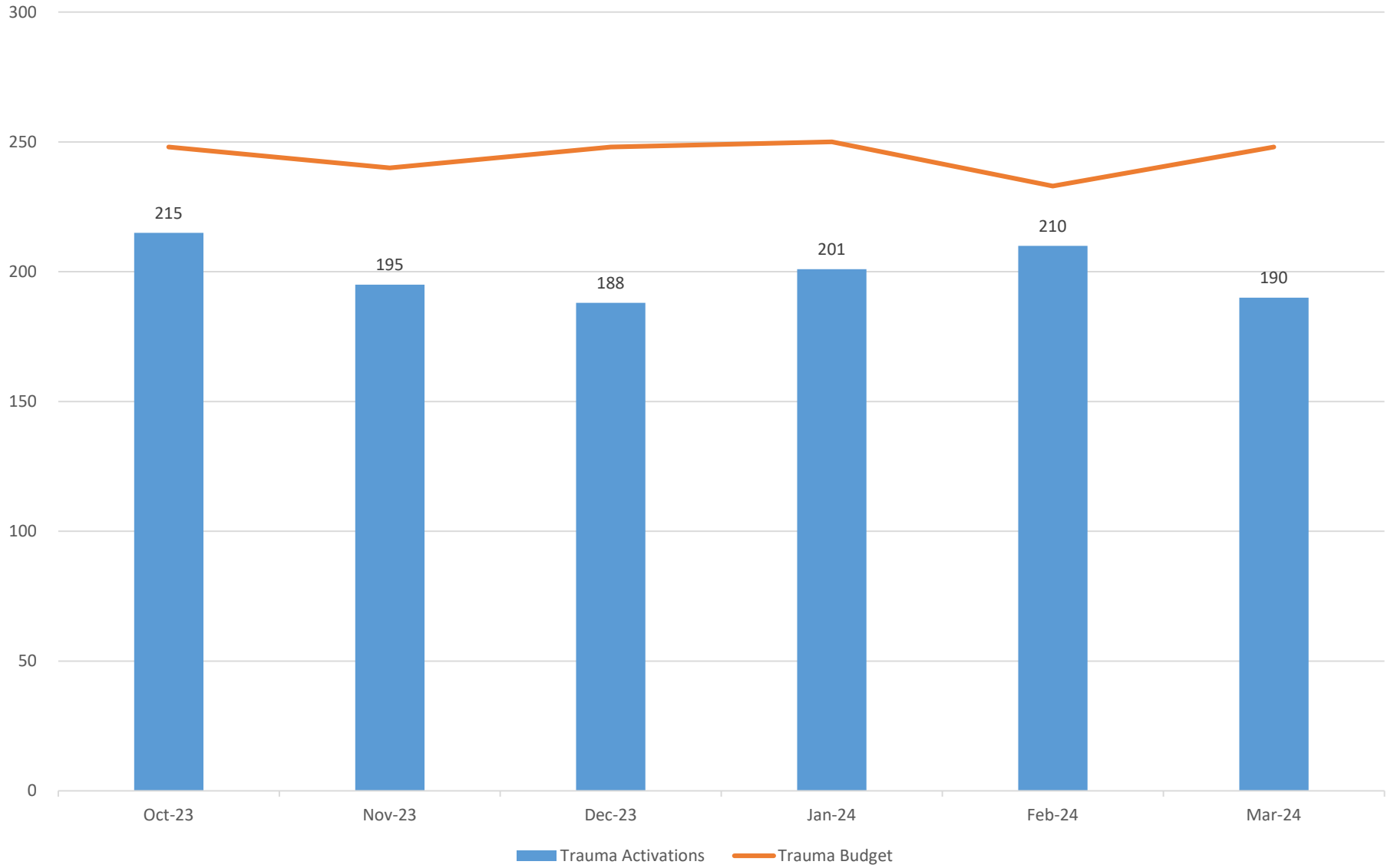


**Indicates commercial managed Medi-Cal plans transitioning to Other commercial managed Medi-Cal plans starting Jan 1, 2024*

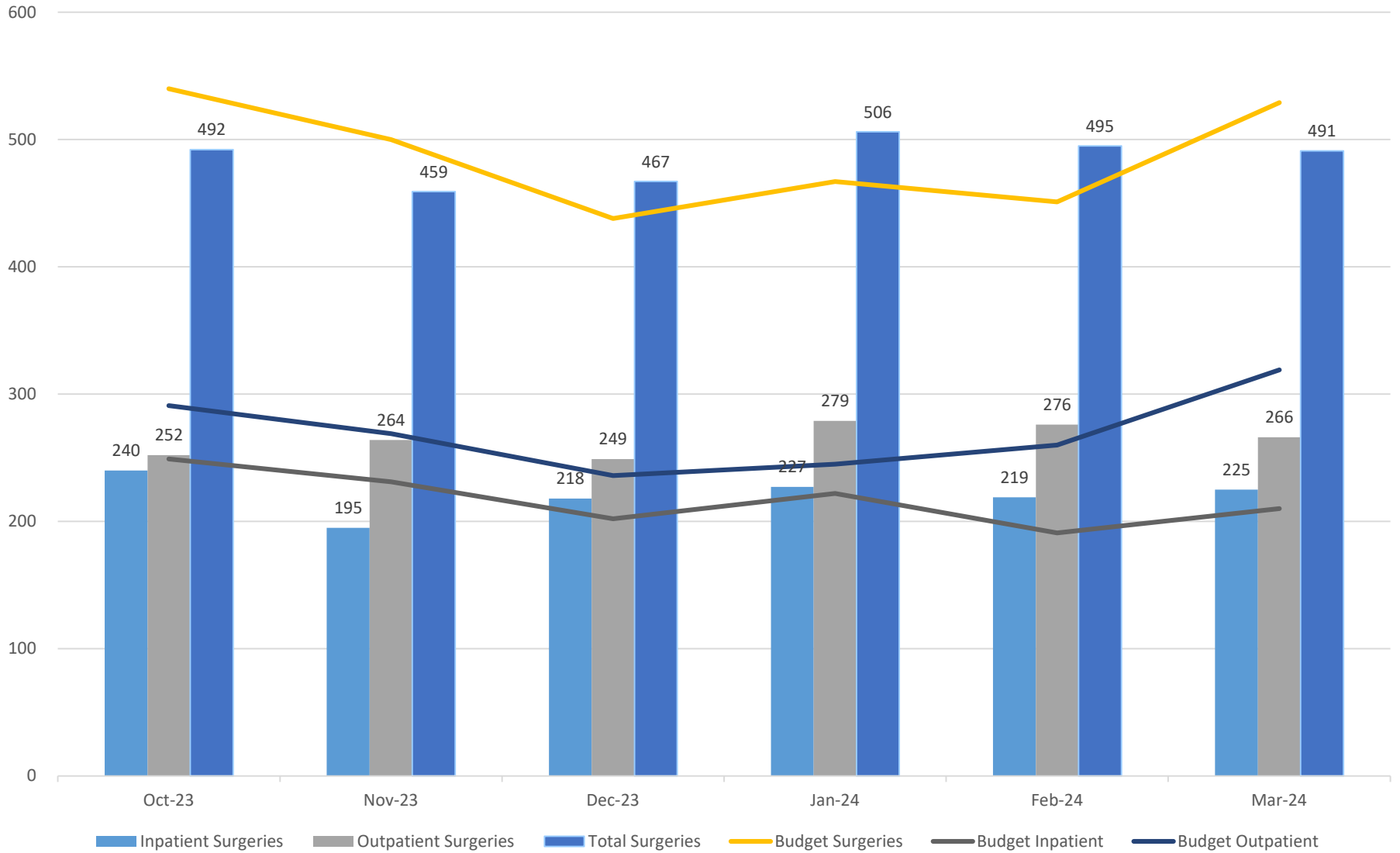
Emergency Room Volume



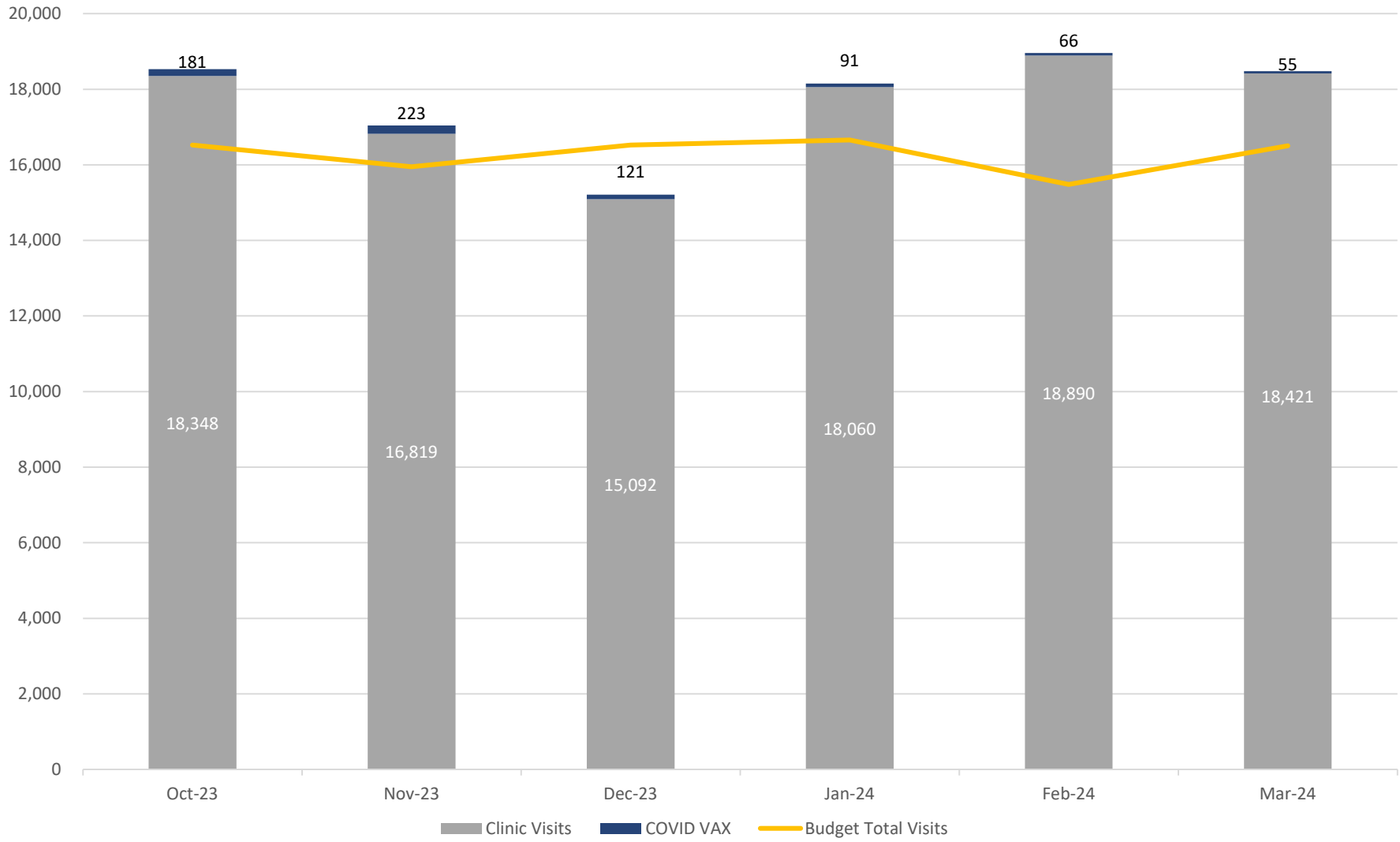
Trauma Activations



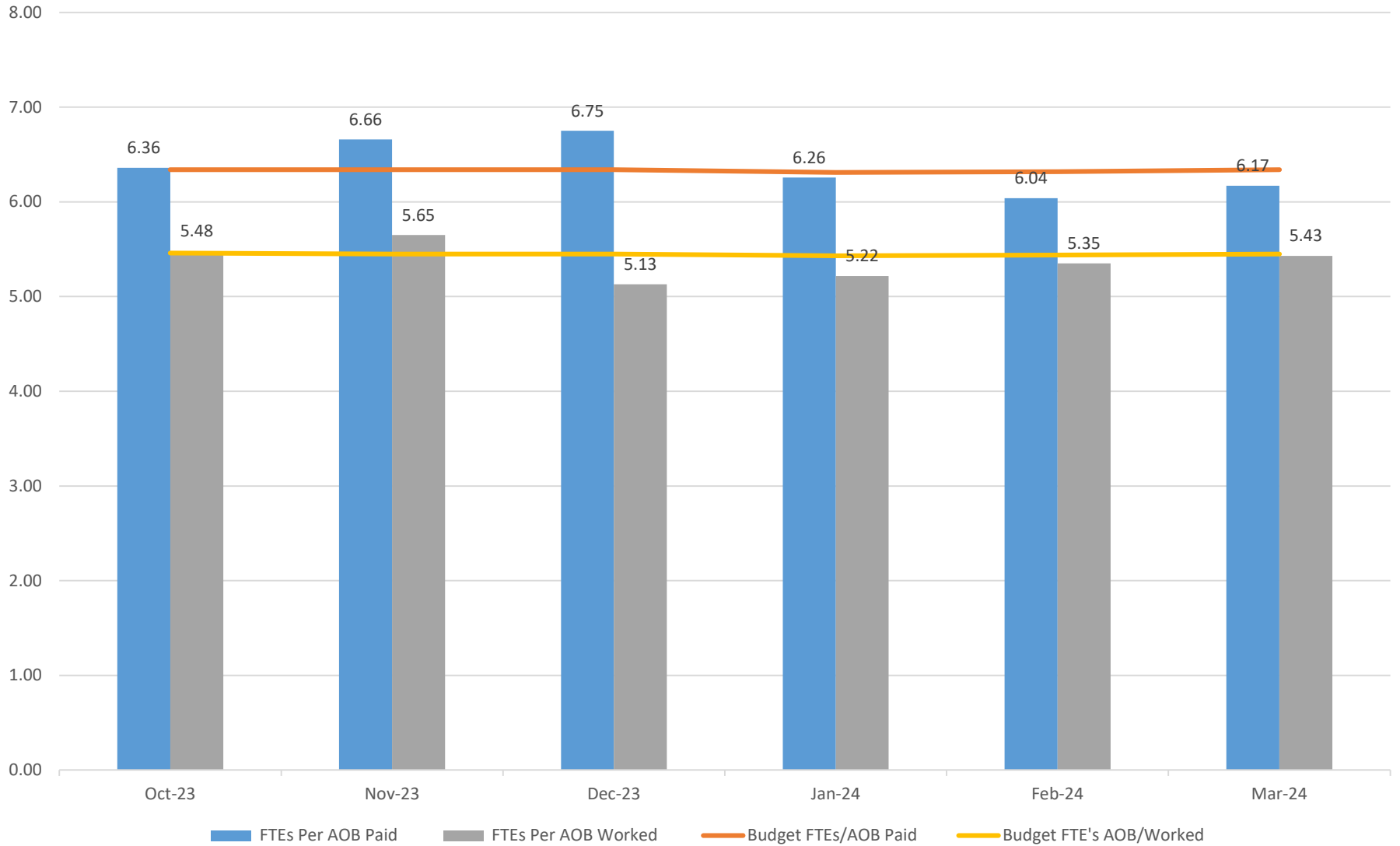
Surgical Volume



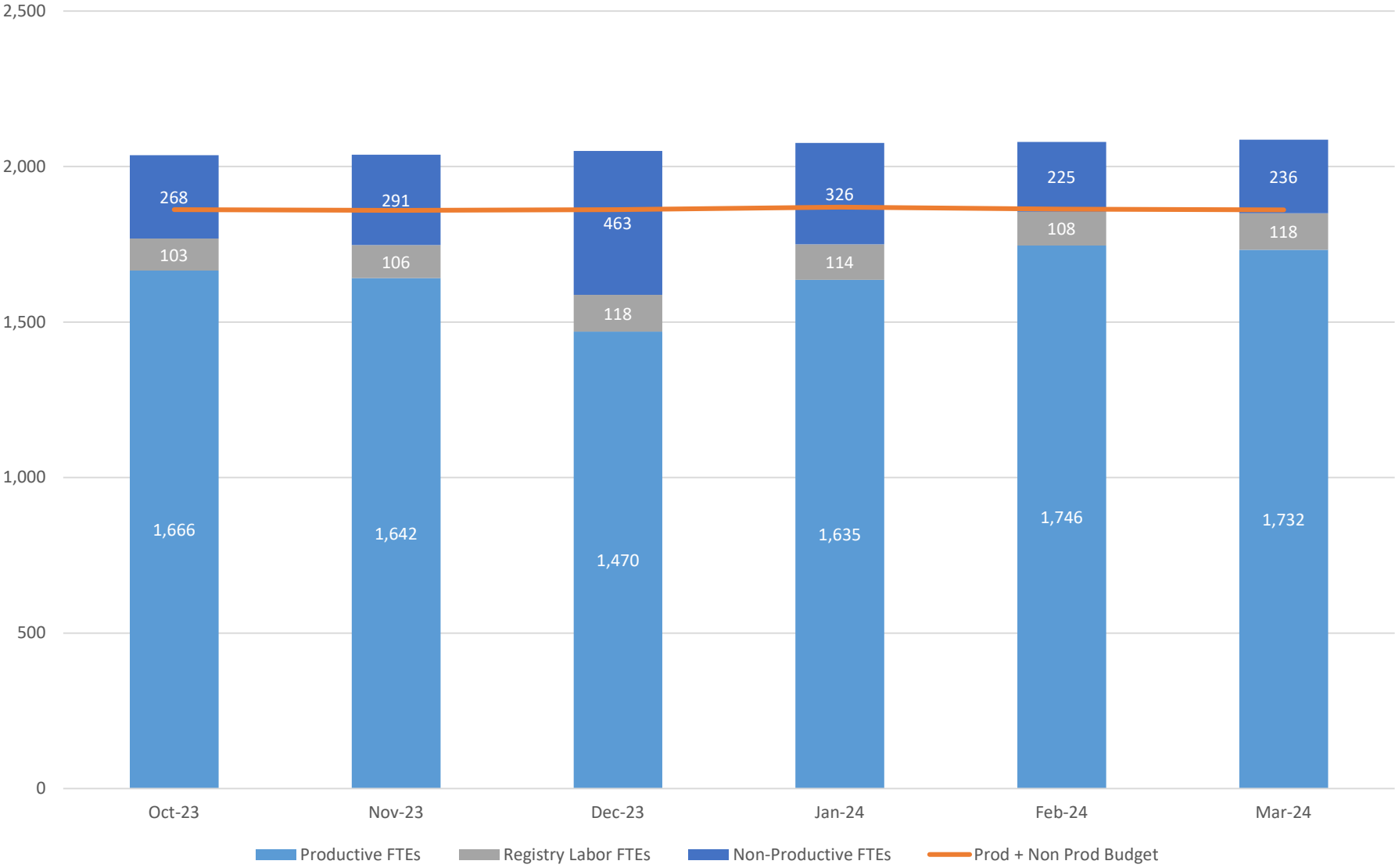
Clinic Visits



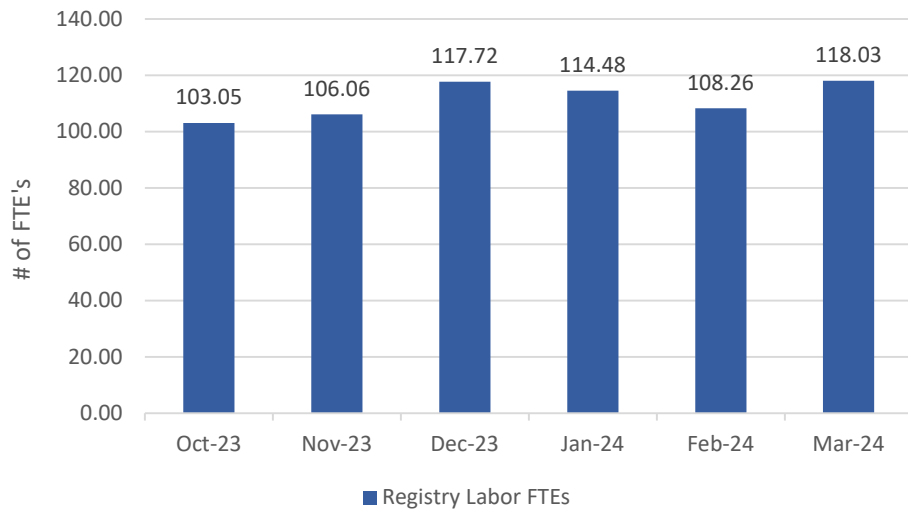
Labor Metrics



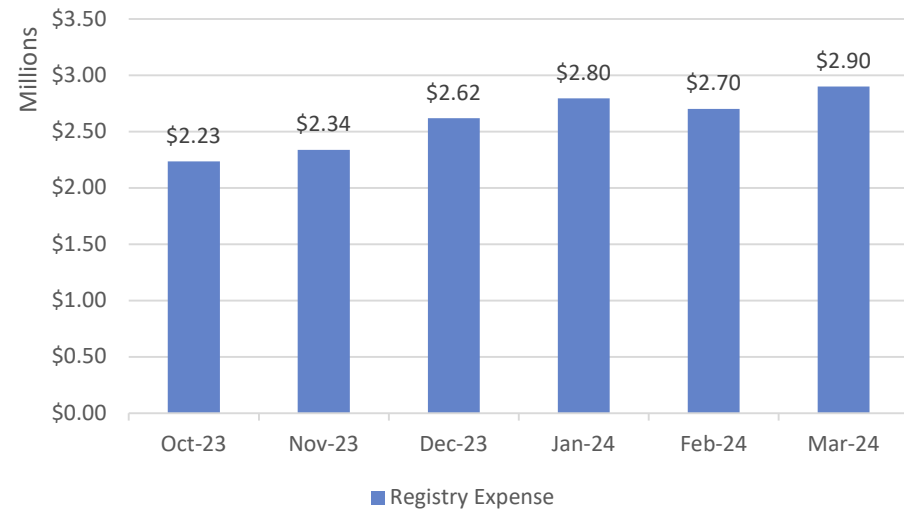
Productivity



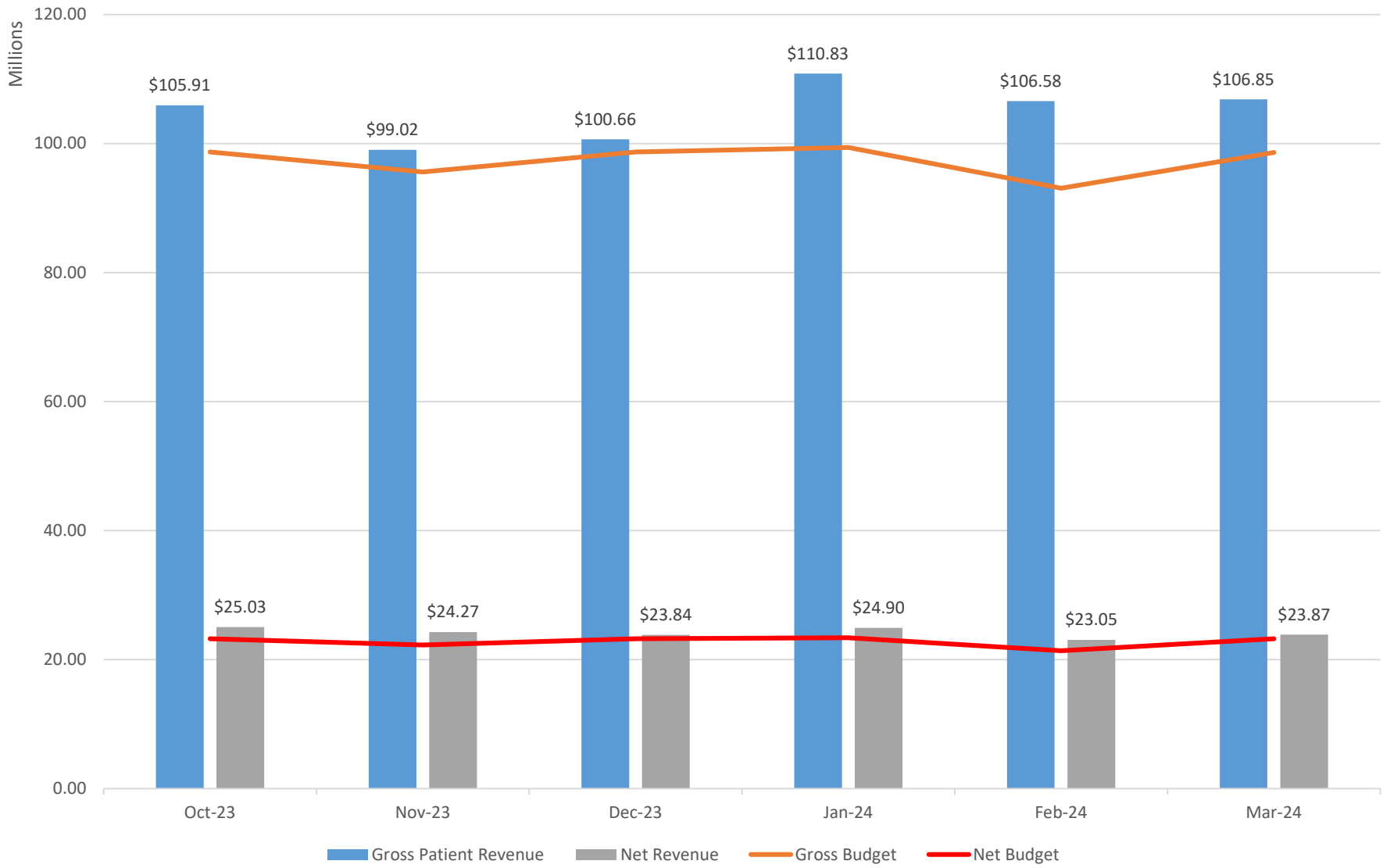
Registry FTE's



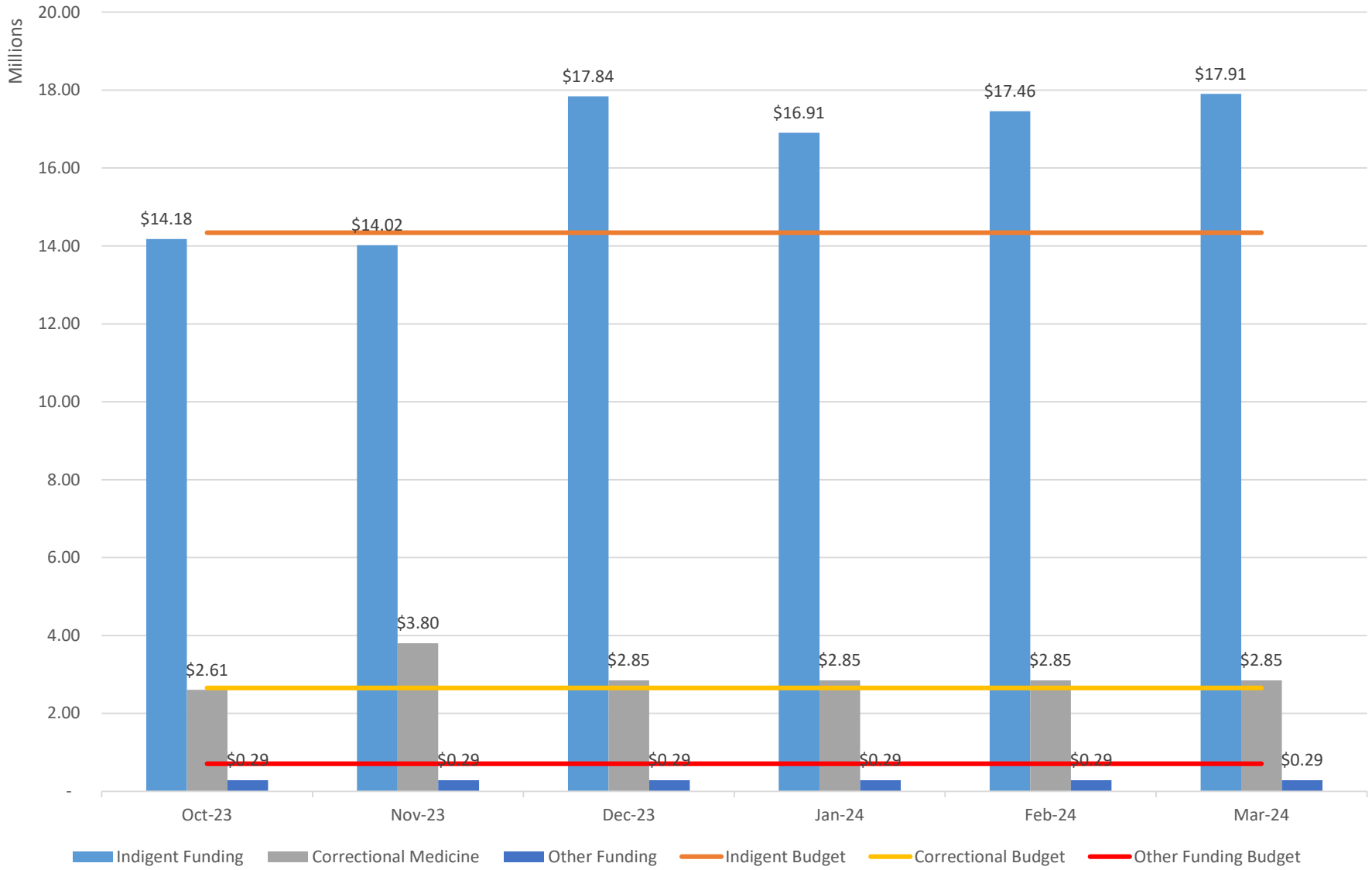
Registry Expense



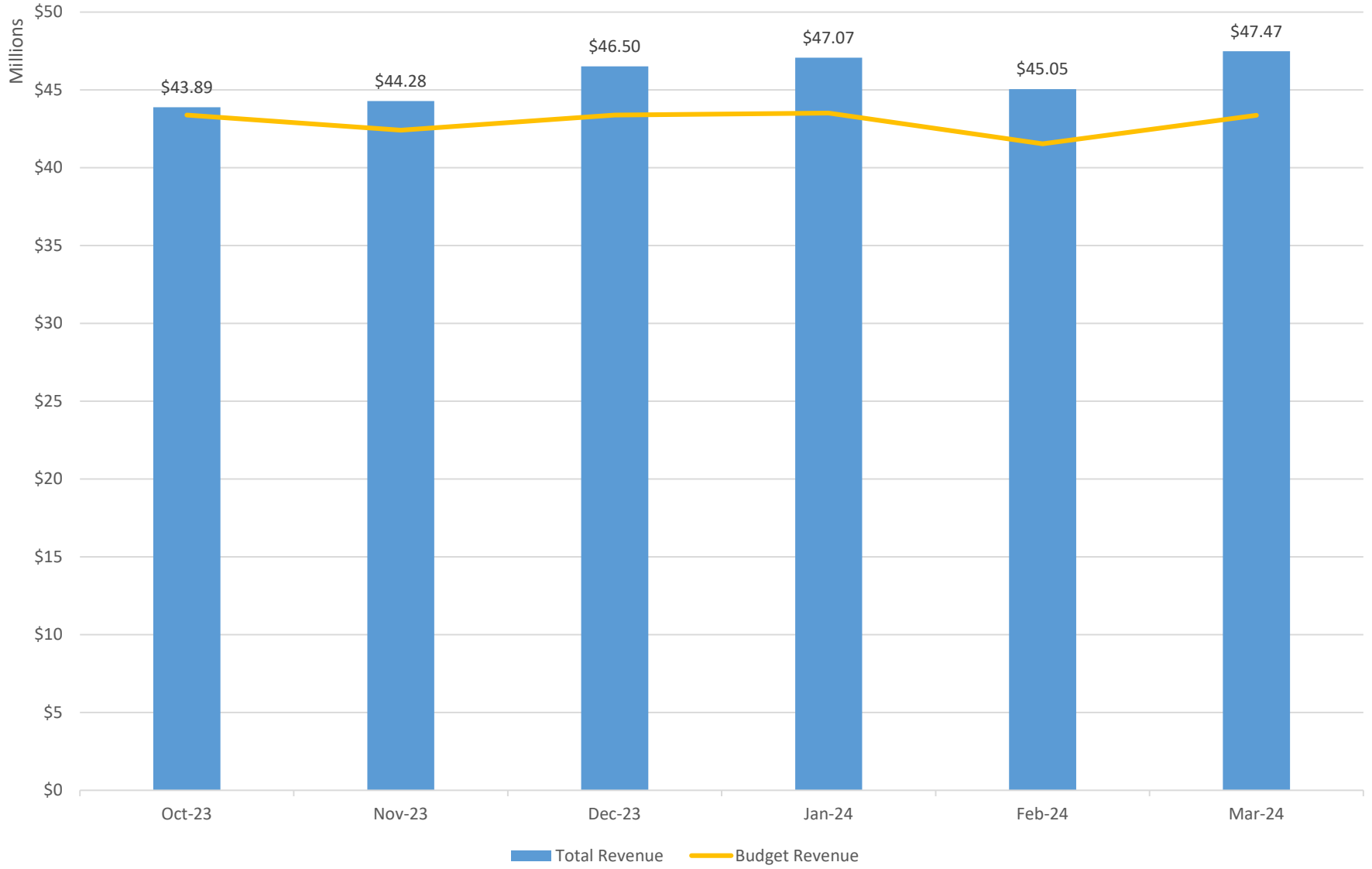
Patient Revenue



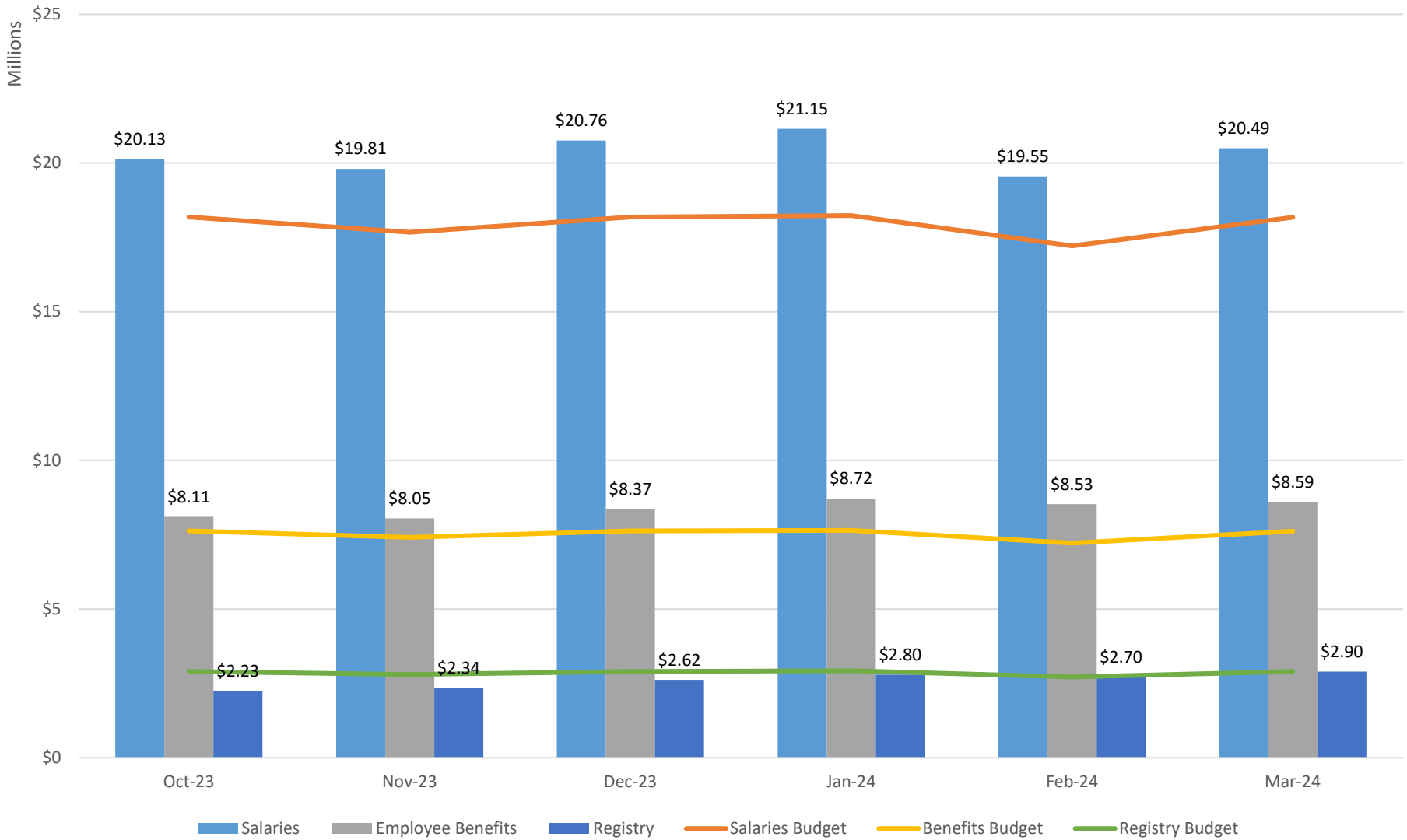
Indigent & Correctional Revenue



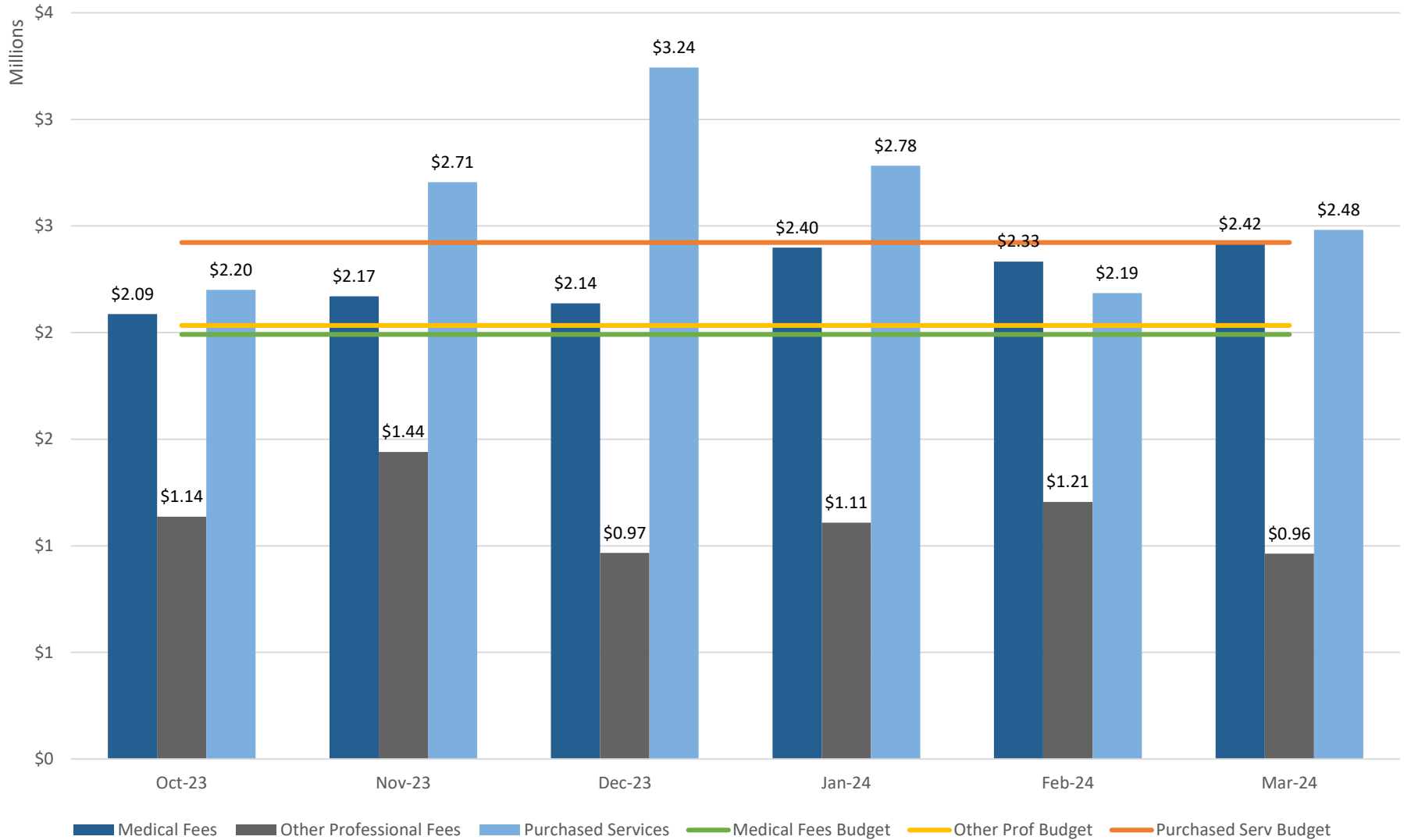
Total Revenue



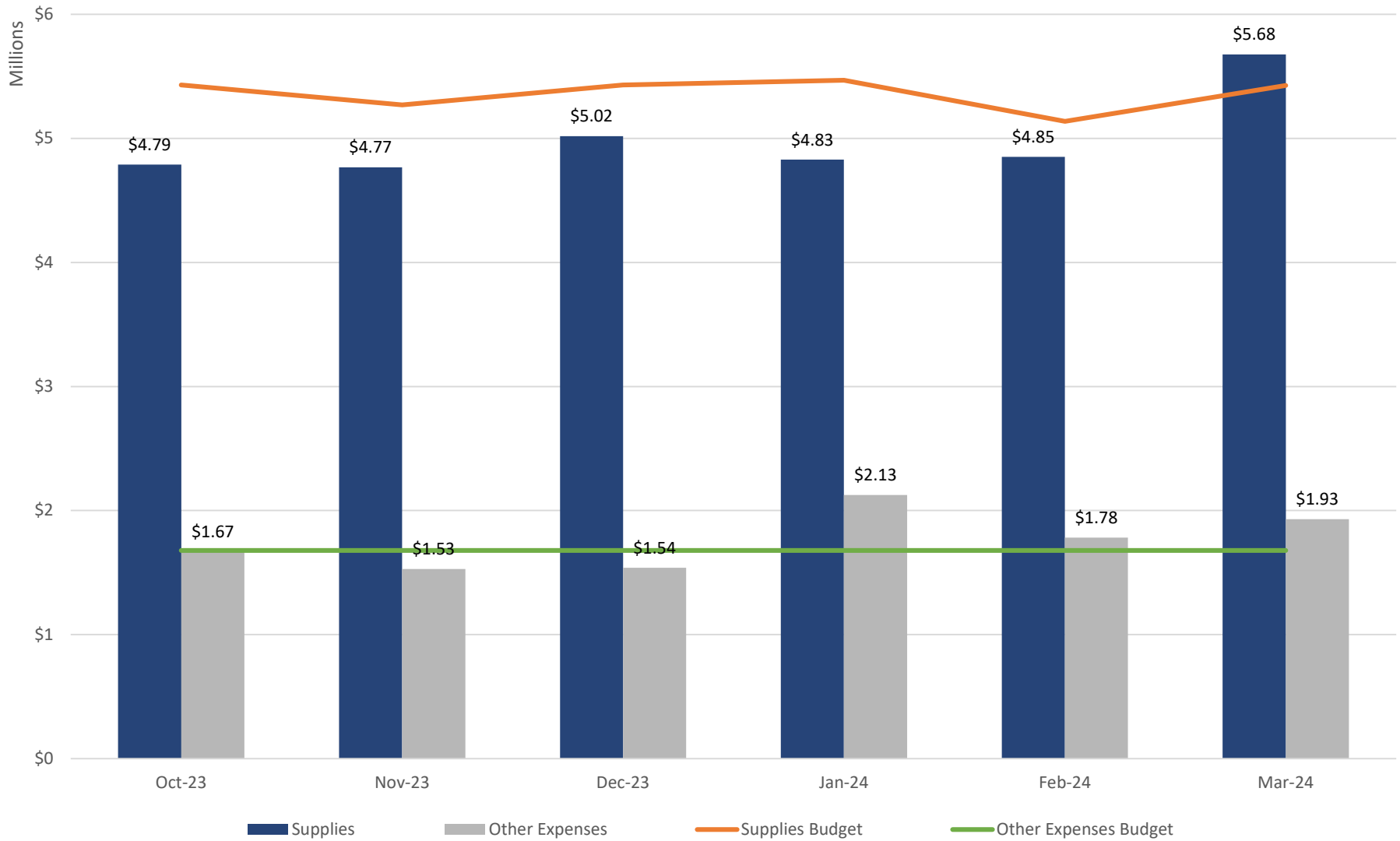
Expenses



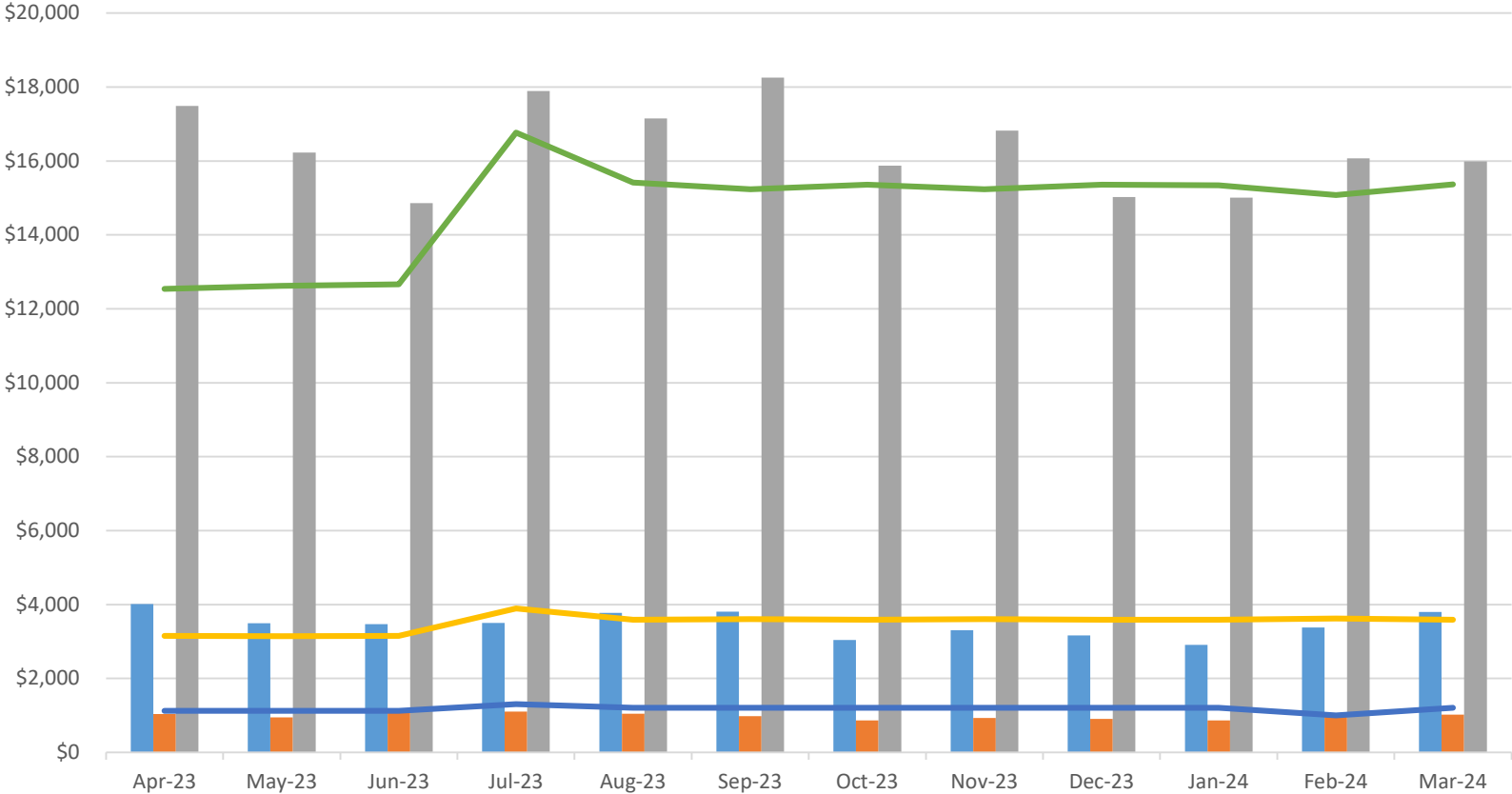
Expenses



Expenses

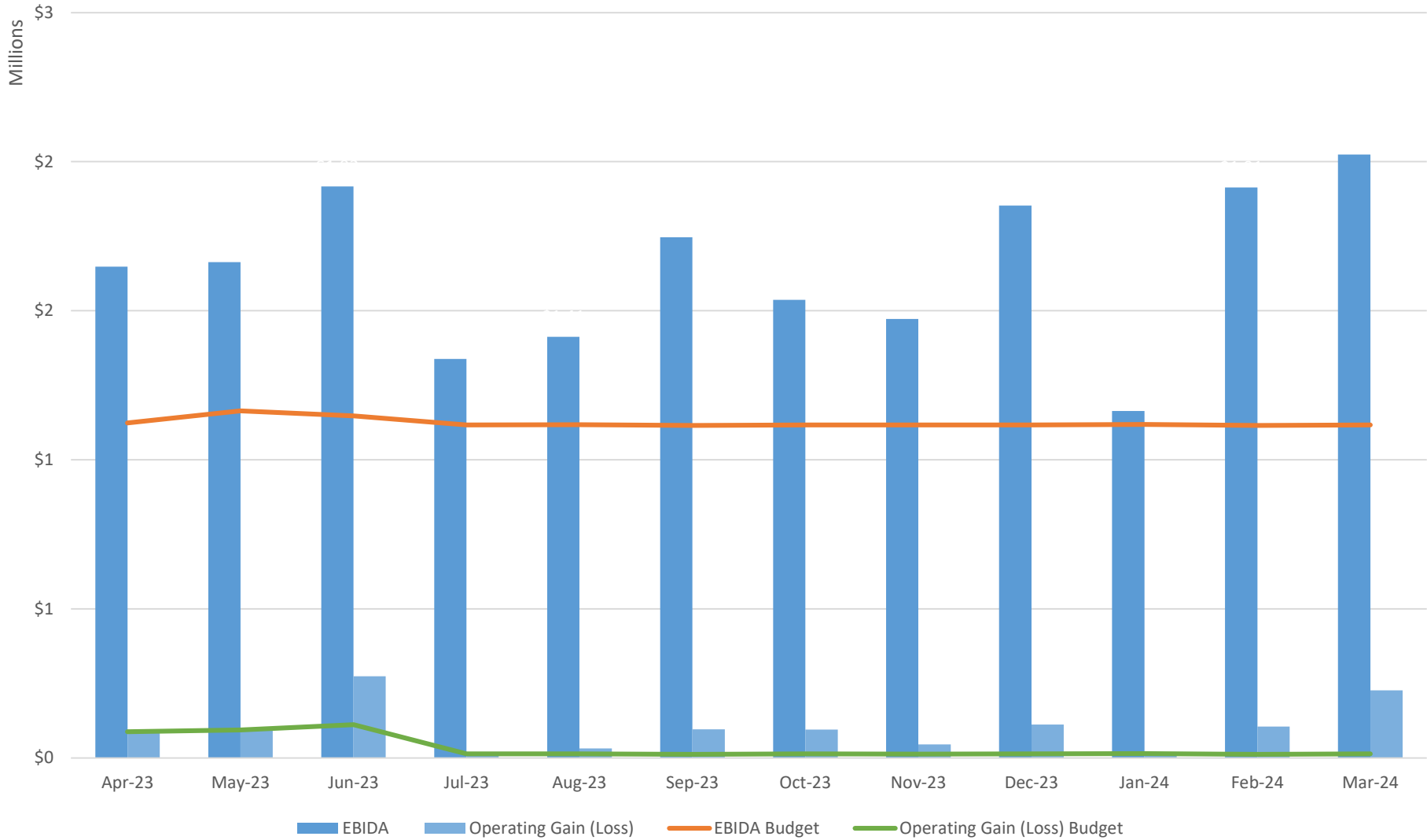


Operating Metrics

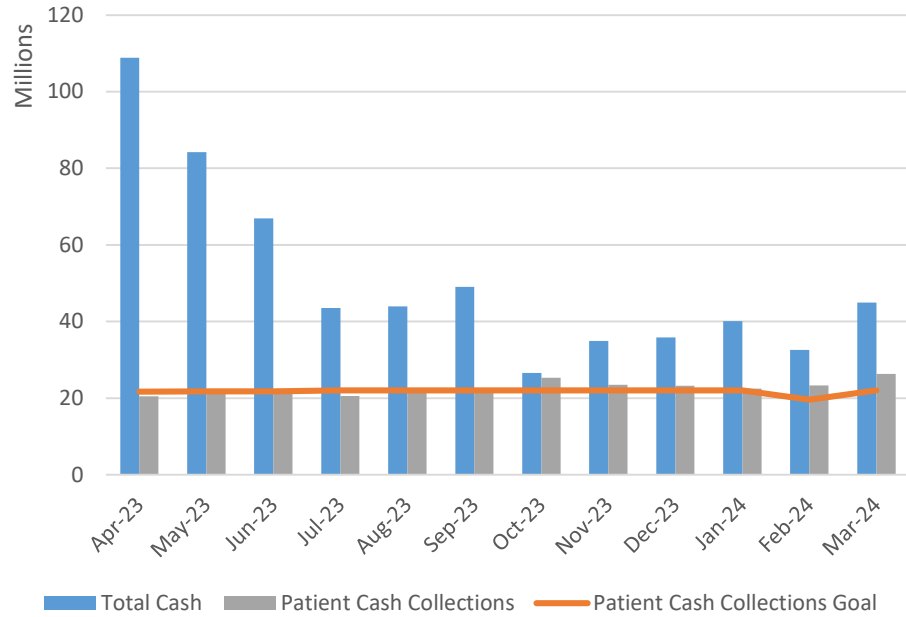


	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Supply Expense per AA	\$4,016	\$3,497	\$3,473	\$3,502	\$3,775	\$3,809	\$3,038	\$3,303	\$3,161	\$2,910	\$3,383	\$3,803
Pharm Cost per AA	\$1,037	\$948	\$1,115	\$1,104	\$1,047	\$978	\$866	\$932	\$904	\$865	\$1,011	\$1,023
Net Revenue Per AA	\$17,486	\$16,224	\$14,857	\$17,893	\$17,150	\$18,258	\$15,875	\$16,817	\$15,020	\$15,012	\$16,073	\$15,992
Budget Supp/AA	\$3,151	\$3,145	\$3,153	\$3,891	\$3,590	\$3,606	\$3,589	\$3,606	\$3,589	\$3,589	\$3,621	\$3,590
Budget Pharm/AA	\$1,127	\$1,126	\$1,127	\$1,310	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,211	\$999	\$1,210
Budget Net Rev/AA	\$12,539	\$12,624	\$12,661	\$16,765	\$15,413	\$15,234	\$15,361	\$15,235	\$15,361	\$15,341	\$15,077	\$15,368

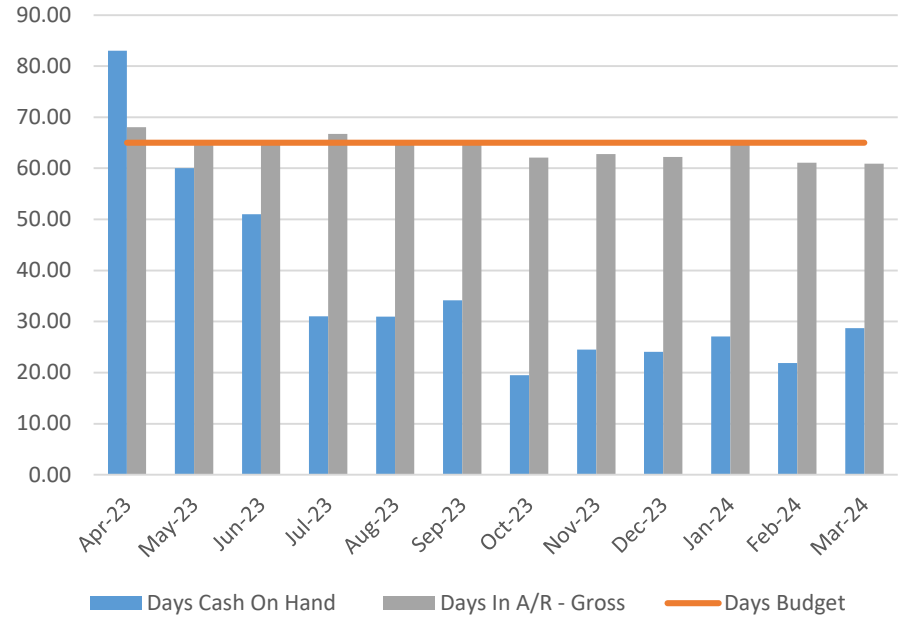
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenue & Expense
 March 31, 2024

	JANUARY	FEBRUARY	MARCH	BUDGET MARCH	VARIANCE POS (NEG)	PY MARCH
Gross Patient Revenue	\$ 110,832,224	\$ 106,581,614	\$ 106,848,155	\$ 98,601,224	8%	\$ 99,584,324
Contractual Deductions	(85,927,788)	(83,529,937)	(82,982,438)	(75,375,451)	10%	(81,230,918)
Net Revenue	24,904,435	23,051,677	23,865,717	23,225,773	3%	18,353,407
Indigent Funding	16,905,758	17,455,758	17,905,758	14,338,567	25%	13,666,415
Correctional Medicine	2,847,714	2,847,714	2,847,714	2,651,620	7%	2,608,481
County Contribution	285,211	285,211	285,211	282,447	1%	285,211
Incentive Funding	0	0	0	425,000	(100%)	0
Net Patient Revenue	44,943,117	43,640,360	44,904,400	40,923,407	10%	34,913,514
Other Operating Revenue	2,112,152	1,397,777	2,559,086	2,428,863	5%	7,221,194
Other Non-Operating Revenue	11,005	11,379	9,568	13,060	(27%)	13,996
Total Revenue	47,066,274	45,049,515	47,473,054	43,365,330	9%	42,148,704
Expenses						
Salaries	21,146,166	19,547,347	20,494,366	18,172,243	13%	17,447,973
Employee Benefits	8,716,414	8,529,071	8,588,794	7,623,275	13%	6,157,280
Registry	2,795,394	2,701,171	2,897,840	2,900,780	(0.1%)	2,981,647
Medical Fees	2,398,660	2,333,226	2,415,587	1,991,696	21%	2,256,951
Other Professional Fees	1,109,150	1,206,164	963,743	2,033,569	(53%)	2,248,224
Supplies	4,827,803	4,851,734	5,675,359	5,426,274	5%	5,114,669
Purchased Services	2,782,623	2,185,515	2,481,536	2,422,027	2%	2,208,572
Other Expenses	2,125,895	1,781,942	1,931,575	1,678,508	15%	2,230,244
Operating Expenses	45,902,105	43,136,171	45,448,801	42,248,372	7.6%	40,645,560
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,164,168	\$ 1,913,344	\$ 2,024,253	\$ 1,116,958	81%	\$ 1,503,144
EBIDA Margin	2%	4%	4%	3%	66%	4%
Interest	182,576	384,252	360,189	117,423	207%	437,662
Depreciation	673,318	725,583	738,996	699,368	6%	815,816
Amortization	287,963	697,970	697,970	286,579	144%	1,236,129
Total Expenses	47,045,963	44,943,976	47,245,955	43,351,742	9%	43,135,166
Operating Gain (Loss)	\$ 20,311	\$ 105,539	\$ 227,099	\$ 13,589	1,571%	\$ (986,462)
Operating Margin	0.04%	0.23%	0.48%	0.03%	1,426.6%	(2.3%)

KERN MEDICAL
Year to Date Analysis: Revenue & Expense
 March 31, 2024

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 948,884,987	\$ 876,218,499	8%	\$ 855,379,425	11%
Contractual Deductions	(730,927,166)	(670,681,354)	9%	(655,278,838)	12%
Net Revenue	217,957,822	205,537,144	6%	200,100,587	
Indigent Funding	146,142,073	129,047,104	13.2%	125,638,112	16%
Correctional Medicine	25,629,423	23,864,578	7%	23,190,652	11%
County Contribution	2,566,898	2,542,025	1%	2,566,898	0%
Incentive Funding	0	3,825,000	(100%)	1,404,200	0%
Net Patient Revenue	392,296,216	364,815,851	8%	352,900,450	11%
Other Operating Revenue	16,785,082	21,859,771	(23%)	25,915,932	(35%)
Other Non-Operating Revenue	166,992	117,540	42%	119,796	39%
Total Revenue	409,248,289	386,793,162	6%	378,936,178	8%
Expenses					
Salaries	179,707,704	161,616,909	11.2%	154,512,206	16%
Employee Benefits	75,146,602	67,798,502	10.8%	63,326,940	19%
Registry	23,092,102	25,741,874	(10%)	26,900,740	(14%)
Medical Fees	19,986,681	17,925,262	12%	18,934,103	6%
Other Professional Fees	13,010,138	18,302,120	(29%)	18,738,616	(31%)
Supplies	45,135,067	48,251,105	(6%)	45,518,488	(1%)
Purchased Services	23,145,585	21,997,801	5%	22,079,377	5%
Other Expenses	15,561,660	15,106,569	3%	15,708,331	(1%)
Operating Expenses	394,785,539	376,740,141	5%	365,718,802	8%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 14,462,750	\$ 10,053,021	44%	\$ 13,217,377	9%
EBIDA Margin	4%	3%	36%	3%	1%
Interest	2,292,843	1,056,808	117%	1,512,128	52%
Depreciation	6,386,552	6,294,309	1%	6,456,631	(1%)
Amortization	5,028,297	2,579,210	95%	4,076,836	23%
Total Expenses	408,493,230	386,670,469	6%	377,764,396	8%
Operating Gain (Loss)	\$ 755,059	\$ 122,693	515%	\$ 1,171,782	(36%)
Operating Margin	0.2%	0.0%	481.6%	0.3%	(40%)



KERN MEDICAL BALANCE SHEET

	MARCH 2024	MARCH 2023
ASSETS:		
<i>Total Cash</i>	\$ 44,974,905	\$ 61,623,824
Patient Receivables Subtotal	227,484,205	234,804,105
Contractual Subtotal	(174,922,709)	(182,939,978)
<i>Net Patient Receivable</i>	52,561,497	51,864,127
Total Indigent Receivable	249,764,000	220,768,008
Total Other Receivable	9,585,531	9,098,733
Total Prepaid Expenses	7,335,876	6,474,388
Total Inventory	5,624,123	5,212,274
<i>Total Current Assets</i>	369,845,931	355,041,354
Deferred Outflows of Resources	112,536,013	105,241,458
Total Land, Equipment, Buildings and Intangibles	267,649,172	241,844,730
Total Construction in Progress	7,863,162	10,292,272
<i>Total Property, Plant & Equipment</i>	275,512,334	252,137,002
Total Accumulated Depr & Amortization	(165,864,825)	(151,092,242)
<i>Net Property, Plant, and Equipment</i>	109,647,509	101,044,759
<i>Total Long Term Assets</i>	112,536,013	105,241,458
<i>Total Assets</i>	\$ 592,029,453	\$ 561,327,571

KERN MEDICAL BALANCE SHEET

	MARCH 2024	MARCH 2023
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 5,815,721	\$ 12,048,491
Total Accrued Compensation	33,644,065	28,218,256
Total Due Government Agencies	3,555,523	14,497,073
Total Other Accrued Liabilities	54,734,912	24,718,744
<i>Total Current Liabilities</i>	97,750,220	79,482,564
Unfunded Pension Liability	345,399,109	284,243,193
Other Long-Term Liabilities	81,461,157	130,256,249
<i>Total Long-Term Liabilities</i>	426,860,266	414,499,442
<i>Total Liabilities</i>	524,610,487	493,982,006
Fund Balance	36,714,022	36,714,022
Retained Earnings	30,704,945	30,631,544
<i>Total Fund Balance</i>	67,418,966	67,345,566
<i>Total Liabilities and Fund Balance</i>	\$ 592,029,453	\$ 561,327,571

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date March 2024	Fiscal Year-End June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for patient/current services	\$ 218,811,968	\$ 264,388,064
Cash received for other operations	133,285,330	236,708,950
Cash paid for salaries and benefits	(241,902,141)	(202,912,375)
Cash paid for services and supplies	(139,885,267)	(292,069,170)
Net cash (used in) provided by operating activities	<u>(29,690,109)</u>	<u>6,115,469</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash (provided to) received from various County funds	-	2,070,094
Interest paid - pension obligation bond	-	(365,334)
Principal paid - pension obligation bond	-	(2,938,587)
Interest paid - line of credit	-	(262,368)
Line of credit payment	20,000,000	-
Net cash provided by (used in) noncapital financing activities	<u>20,000,000</u>	<u>(1,496,195)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(16,550,333)	(12,141,601)
Payments on right-of-usage lease liability	4,634,371	(3,034,901)
Interest paid - right-of-usage lease liability	33,428	-
Payments on SBITA liability	(376,075)	(782,410)
Interest paid - SBITA	2,320	-
Net cash used by capital and related financing activities	<u>(12,256,289)</u>	<u>(15,958,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on bank deposits and investments	-	181,109
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(21,946,398)</u>	<u>(11,158,529)</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>66,921,303</u>	<u>78,079,832</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 44,974,905</u>	<u>\$ 66,921,303</u>