

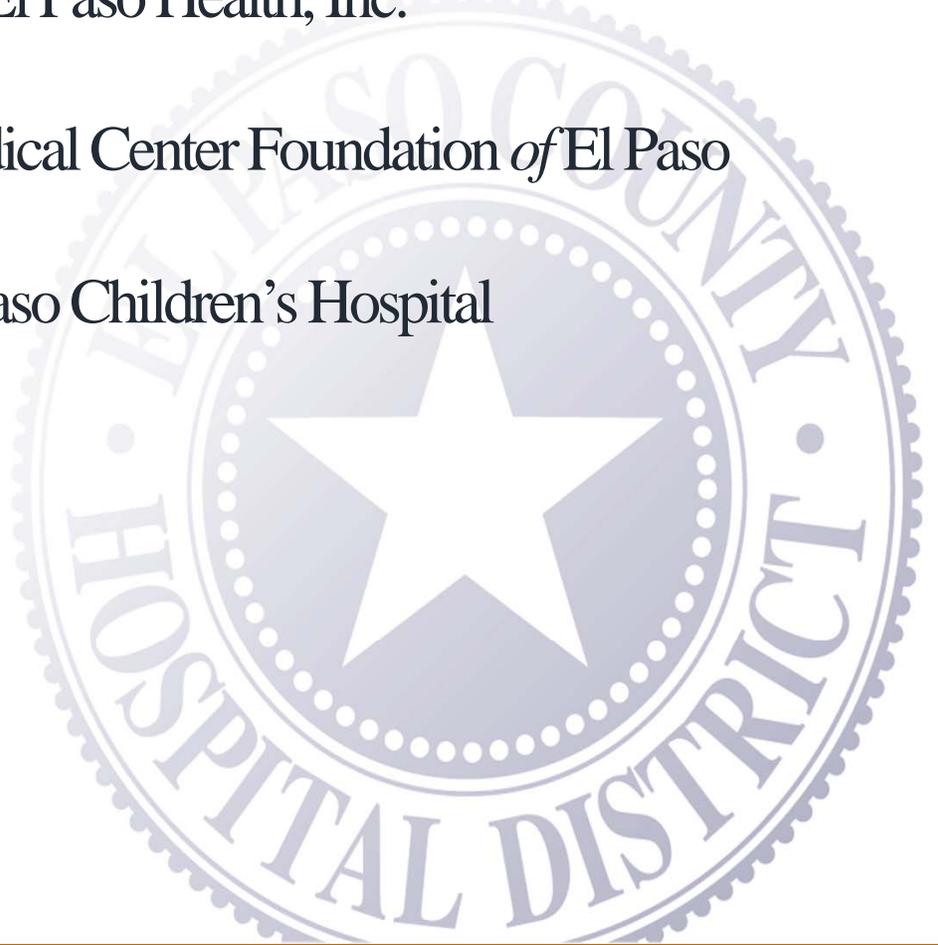
FY 2020 Proposed Operational and Capital Budgets

University Medical Center *of* El Paso

El Paso Health, Inc.

University Medical Center Foundation *of* El Paso

El Paso Children's Hospital





EL PASO COUNTY HOSPITAL DISTRICT
dba **UNIVERSITY MEDICAL CENTER OF EL PASO**

2020 PROPOSED OPERATIONAL AND CAPITAL BUDGET

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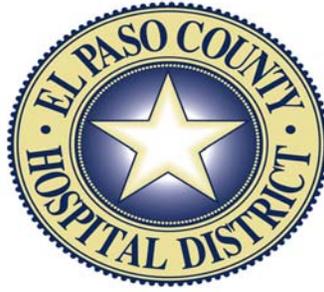
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 a. Summary

TAB 1





Operating and Routine Capital Budget For the fiscal year ending September 30, 2020

The Fiscal Year (FY) 2020 Proposed Budget is compared with FY 2019 Forecast, unless otherwise noted.

The FY 2019 Forecast is defined as the **actual** results for the nine-month period from October 1, 2018 through June 30, 2019 and **forecasted** results for the three-month period from June 1, 2019 through September 30, 2019.

The El Paso County Hospital District d/b/a University Medical Center of El Paso Fiscal 2020 budget includes the operating and routine capital budget of the following affiliates, collectively referred to as “the District”:

- University Medical Center of El Paso (“UMC”)
- El Paso Health, Inc. (“El Paso Health”)
- University Medical Center Foundation of El Paso (the “Foundation”)
- El Paso Children’s Hospital (“El Paso Children’s”)

The significant District FY 2020 budget highlights are as follows:

- An overall revenue budget of \$856 million with an overall expense budget of \$857 million, resulting in an overall accrual decrease in net position of \$1.3 million.
- Revenues are increasing \$65 million (8%); whereas, expenses are increasing \$56 million (7%).
- Each affiliates’ change in net position is as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
UMC	\$ (35,449,716)	\$ (24,923,385)	\$ (13,261,684)	\$ (11,893,821)	\$ (4,590,373)
El Paso Health	9,408,725	1,664,712	1,941,008	1,451,241	(940,454)
El Paso Children's	(16,528,639)	(10,497,681)	(3,998,570)	(1,118,829)	1,144,300
UMC Foundation	(85,302)	902,096	2,590,108	293,487	1,590,298
Eliminations	1,525,476	1,525,476	1,525,476	1,525,476	1,525,476
	\$ (41,129,456)	\$ (31,328,782)	\$ (11,203,662)	\$ (9,742,446)	\$ (1,270,753)

- An overall net increase in unrestricted cash of \$8 million will result in a projected unrestricted cash balance of \$48 million, representing 21 days cash on hand.

- A summarized statement of unrestricted cash flows by entity is as follows:

	<u>UMC</u>	<u>El Paso</u> <u>Health</u>	<u>El Paso</u> <u>Children's</u>	<u>UMC</u> <u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Change in Net Position	\$ (4,590,373)	\$ (940,454)	\$ 1,144,300	\$1,590,298	\$ 1,525,476	\$ (1,270,753)
Plus: Depreciation expense	29,086,421	2,272,594	1,296,319	5,004		32,660,338
Intercompany eliminations					(1,525,476)	(1,525,476)
Change in operating assets and liabilities						
Interest expense	13,872,903		1,799,815			15,672,718
Other	1,716,318	265,661	-	(1,595,302)		386,677
Cash Flow from operations	40,085,269	1,597,801	4,240,434	-	-	45,923,504
Principal payments on long-term debt	(7,635,000)					(7,635,000)
Interest payments on long-term debt	(15,988,719)					(15,988,719)
Intercompany borrowings (payments)	3,000,000		(3,000,000)			-
Cash flows for financing activities	(20,623,719)	-	(3,000,000)	-	-	(23,623,719)
Capital purchases	(10,000,000)	(3,287,043)	(948,668)			(14,235,711)
Investment income	-	494,750	-			494,750
Cash flows for investing activities	(10,000,000)	(2,792,293)	(948,668)	-	-	(13,740,961)
Net change in unrestricted cash	9,461,550	(1,194,492)	291,766	-	-	8,558,824
Unrestricted cash, September 30, 2019	5,282,871	31,044,403	3,431,918	-	-	39,759,192
Unrestricted cash, September 30, 2020	\$ 14,744,421	\$ 29,849,911	\$ 3,723,684	\$ -	\$ -	\$ 48,318,016

FY20 Affiliate Operational Highlights

UMC

The focus is on expanding service lines and building efficiencies with new assets. With use of 2013 bond funds, new Emergency Rooms (ERs) will open in the Northeast in November 2019 and the East in December 2019. With the opening of the new ERs we are expecting to shift lower level acuity visits from the main ER to these sites and increase capacity at the main ER. With the new Electrophysiology (“EP”) Lab two new specialists will be providing this service. Expansion of the Neurosurgeon team will also allow us to grow the level of care provided to El Pasoans. While this growth is happening, development of in-house observation unit is also being created to facilitate quicker discharge in the hospital and decrease ER wait times.

El Paso Children’s

The focus is to grow community physician referrals. In Fiscal 2019, key community physicians’ referrals increases have been primarily for outpatient services; however, we expect inpatient referrals to rise to as much as thirty admissions per month in Fiscal 2020. This will impact all El Paso Children’s service lines. In alignment with UMC, El Paso Children’s is also expanding pediatric Neurosurgery with the only specialist in the city. El Paso Children’s began providing services in 2019.

El Paso Health

The focus will be its new business ventures: 1) the Medicare product line in January 2020; and 2) the STAR+PLUS Medicaid product line in September 2020. For Fiscal 2020, these product lines will be the “investment period” with maturation of these product lines to begin in Fiscal 2021.

FY20 Budget Challenges and Uncertainties

On December 21, 2017, the Centers for Medicare and Medicaid Services (CMS) approved a five-year renewal of the Texas 1115 Transformation Waiver from October 2017 to September 2022, Demonstration Years 7-11. The renewal continues Medicaid managed care statewide along with the Uncompensated Care (UC) pool and the Delivery System Reform Incentive Payment (DSRIP) program pool.

Uncompensated Care Pool. Texas Health & Human Services Commission (“HHSC”) was required by CMS to submit a revised protocol under Special Terms and Conditions (STC) for the Section 1115 Demonstration Waiver renewal. The STCs required an uncompensated care protocol that allows *only* for charity costs allowed under a provider’s charity policy that adhere to: 1) the charity care principles of the Healthcare Financial Management Association - Principles and Practices Board Statement 15, *Valuation and Financial Statement Presentation of Charity Care and Bad Debts by Institutional Healthcare Providers*; and 2) also based on Medicare cost principles. Texas will begin distributing UC pool funds following this framework effective October 1, 2019.

Delivery System Reform Incentive Program. CMS provided Texas with four years of additional federal matching funding (\$11 billion) for its DSRIP program. This included two years of level funding (2018 and 2019 at \$3.1 billion), followed by two years of decreased funding (2020 at \$2.91 billion and 2021 at \$2.49 billion). The fifth year of the extension, 2022, from October 1, 2021 through September 30, 2022), will *not* include any funding.

The STCs of the Texas 1115 Healthcare Transformation and Quality Improvement Program Waiver include a requirement to submit a draft DSRIP Transition Plan to CMS by October 1, 2019 and finalized by March 31, 2020. This Transition Plan must describe how the state will further develop its delivery system reform efforts without DSRIP funding after September 30, 2021. The Transition Plan will include milestones for HHSC for DY9 and 10 (October 1, 2019 through September 30, 2021) as the state prepares for DSRIP to end.

El Paso Collaborative a/k/a Community Benefit Program

Since 2007, under the former Upper Payment Limit (UPL) program, UMC has collaborated with local healthcare providers (“El Paso Collaborative”) to provide the space and healthcare services needed to provide much-needed care for indigent patients in the El Paso community. Historically, the El Paso Collaborative independently contracted with indigent health providers in the El Paso community.

Beginning on or about October 1, 2019, the El Paso Collaborative program in its current form will be ending and these indigent health provider contracts will be returning / assigned back to UMC. To keep all parties financially whole, negotiations are currently being discussed with the local healthcare providers. A major component of the negotiations is the creation of the El Paso Local Provider Participation Fund (“LPPF”) as the District will be assessing and collecting an LPPF fee from these local healthcare providers. The details of this program are currently being discussed and negotiated.

Disproportionate Share Hospitals (DSH) Program

Federal law requires Medicaid programs to make special payments to hospitals that serve a disproportionately large number of Medicaid and low-income patients. These hospitals are called DSH

hospitals and receive DSH funding. DSH funds are different from most other Medicaid payments because they are not tied to specific services for Medicaid-eligible patients.

DSH cuts, which have been delayed several times already and are a part of the Affordable Care Act (ACA), are scheduled to go into effect October 1, 2019, if Congress does not take action. Should the DSH cuts remain, this would represent a \$3 million annual decrease to UMC. Recently, more than 150 House of Representative members have called for a 2-year delay to the scheduled reductions, allowing Congress more time to find a sustainable solution.

Uniform Hospital Rate Increase Program (UHRIP)

HHSC has approval from the CMS to implement the Uniform Hospital Rate Increase Program (UHRIP) for hospital services. At this time, only STAR and STAR+PLUS Medicaid Managed Care Programs participate in UHRIP. HHSC rolled out a pilot UHRIP program on December 1, 2017, in the El Paso and Bexar managed care service delivery areas (SDA). A rollout of UHRIP across the remaining SDAs was implemented on March 1st, 2018. To summarize, through IGT funding and corresponding federal matching, it increases area Managed Care premium capitation rates and enables the Managed Care Organizations (MCOs) to increase their provider claims payments by an “add-on payment” to the provider base contract.

This program is expected to continue and may expand, subject to a “budget neutrality cap”, and be a vital component of future and overall Texas Medicaid funding programs.

Graduate Medical Education (GME) Program

Texas Medicaid began providing supplemental payments in 2019 to support teaching hospitals that operate approved medical residency training programs. Medicaid GME payments recognize the higher cost incurred by teaching hospitals. Compared to non-teaching hospitals, teaching hospitals treat patients with more complex conditions and provide patient care that is more intensive and technologically sophisticated.

UMC’s annual GME benefit, net of IGT costs, is approximately \$3.3 million

Capacity Issues

On certain UMC floors, 2020 inpatient admission growth is being limited due to capacity issues. A long-term strategy will need to be developed as our inpatient services continue to grow.

For El Paso Children’s, with the expected inpatient admission growth from community physicians, the need to build-out the Children’s Hospital eight (8th) floor is becoming more apparent.

Governmental Accounting Standards Board (GASB) No. 68, Accounting and Financial Reporting for Pensions

This Statement requires the liability of employers to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees’ past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net position. As such, the plan’s annual investment return is a key component of determining the plan’s annual retirement expense.

The measurement period used to determine UMC’s annual pension expense is on a calendar-year basis – the most recent measurement period for UMC’s fiscal year. For UMC’s fiscal 2019 year, the pension plan’s

measurement period is calendar year 2018. For UMC's 2020 fiscal year, the pension plan's measurement period is calendar year 2019.

The pension plan's 2018 investment return was a negative 2%, which resulted in an additional non-cash expense of approximately \$12.5 million. The year-to-date 2019 investment return is approximately 8%, which represents a non-cash expense of approximately \$6 million – a decrease of \$6 million from the prior year.

The plan's annual retirement expense is very dependent on the plan's investment return. For example, the difference between an 8% investment return versus a 4% investment return approximates an additional \$3 million non-cash expense.

Medicare D-SNP and STAR+PLUS Programs

El Paso Health completed their procurement process with HHSC as a managed care provider for the STAR+PLUS program. If selected, it would be effective June 1, 2020. El Paso Health has budgeted approximately \$1.4 million in start-up costs to ensure they are fully licensed as a Medicare Plan and are ready for HHSC's readiness review, which is expected to occur in October 2019.

STAR+PLUS is a Texas Medicaid managed care program for people who have disabilities or are age 65 or older. People in STAR+PLUS get Medicaid health-care and long-term services and support through a medical plan that they choose.

Long-term services and support includes things like:

- Help in your home with basic daily activities.
- Help in making changes to your home so you can safely move around.

Another feature of STAR+PLUS is service coordination. A STAR+PLUS staff member works with the member, the member's family and the member's doctors and other providers to help the member get the medical and long-term services and support they need.

FY20 Revenue Highlights

Total revenue budget is \$849 million, an increase of \$58 million (7%). Significant revenue assumptions are as follows:

- **Net Patient Service revenue.** An increase of \$22 million (6%).
 - **UMC.** Inpatient admissions are budgeted to increase 1.4%, inpatient surgeries are budgeted to increase 2% and outpatient surgeries are budgeted to increase 7%. In addition, the opening of the two new Emergency Rooms in the Northeast and East are budgeted to see 16,000 new emergency room visits. On a volume adjusted basis, the Net Patient Revenue per Adjusted Admission is budgeted to increase from a forecasted \$8,380 in 2019 to \$8,883 in 2020, a 6% increase.

UMC's Uncompensated Care charges are expected to increase to \$485 million mainly due to increased inpatient and outpatient services. The estimated cost of providing Uncompensated Care services is approximately \$190 million.

- **El Paso Children's.** Inpatient admissions are budgeted to increase 7%, inpatient surgeries are budgeted to increase 3%, and outpatient surgeries are budgeted to increase by 7%.
- **Medicaid Supplemental Program revenue.** An increase of \$10 million (11%), due to 2020 revisions to the UC distribution formula to only Charity Care, (it was previously Charity Care and Medicaid Shortfall), offset by reduced DSRIP revenue due to lower state-wide DSRIP funding.
- **Premium revenue.** An increase of \$18 million (10%) due to increased State of Texas Access Reform ("STAR") and Children's Health Insurance Program ("CHIP") capitation rates of 3% and the new Medicare Dual Eligible Special Needs Plans ("D-SNP") and STAR+PLUS programs.
- **Net Contract revenue.** An increase of \$4 million (118%) mostly due to a full year of the El Paso County (the County) Correctional Health contract. This contract began in in May 2019.
- **Property Tax revenue.** An increase of \$9 million (8%) primarily due to adoption of the rollback tax rate and increases in the taxable base due to new construction. Property tax revenue approximating \$120 million consisting of \$96 million for Maintenance and Operations (M&O) and \$24 million for Interest and Debt Service (I&S).
- **Contribution Revenue.** An increase of \$2 million (12%) primarily due to additional foundation resources and more focused strategic plan.
- **Other Operating Revenue.** A decrease of \$300 thousand (1%) primarily attributable to Network Access Improvement Program (NAIP) funding to El Paso Health for administering the program; however, the NAIP expenses are decreasing accordingly.

FY20 Expense Highlights

Total expense budget is \$857 million, an increase of \$56 million (7%). Significant expense assumptions are as follows:

- **Salaries and Wages expense.** An increase of \$18 million (9%) due to: 1) a UMC 1% merit increase approximating \$1.6 million; 2) an El Paso Children's 2% merit increase approximating \$400 thousand; 3) a full year of 2019 and one quarter of 2020 market adjustments for UMC associates approximating \$3.2 million; 4) \$11 per hour minimum rate increase implemented in fourth quarter estimated at \$1.2m and 5) a \$10.4 million increase associated with new Full Time Equivalents (FTEs) offset with various salary savings measures.
 - The proposed budget includes paid FTEs of 3,566 an increase of 302 FTEs or 9%. Of this increase, 284 FTEs have a revenue offset and 18 FTEs are administrative increases to non-revenue generating areas.
 - FTEs needed for volume growth on existing services total 100 and are for both pediatric and adult surgical areas and the Neighborhood Health Centers.
 - FTEs needed for new service lines total 90 and are for the Northeast Emergency Room (opening in November 2019), the East Emergency Room (opening in December 2019), EP Lab, and Epileptic Monitoring Unit.
 - FTEs needed under contractual arrangements (Correctional Health Center and El Paso Children's) total 76 FTEs.
- **Employee Benefits expense.** A decrease of \$4.8 million (8%) primarily due to the 2019 GASB No. 68 \$12.5 million non-cash expense based on the retirement plan's negative 2% investment return in calendar 2018. We are budgeting an investment return of 8% in calendar 2019 that results in a \$6 million GASB No. 68 non-cash expense.
- **Physician Fees expense.** An increase of \$58 million associated with the termination of the El Paso Collaborative Program with area local providers. This expense increase will be offset by decreased Intergovernmental Transfer expense, increased Medicaid Supplemental revenue and increased Net Patient Service revenue.
- **Purchased Services expenses.** An increase of \$8.3 million dollars (12%) resulting from: 1) \$3 million increase in UMC computer fees as the new ambulatory service EMR system went live in June 2019 and related license fees are now being incurred; and 2) El Paso Health \$5 million increase for the new Medicare D-SNP and STAR+PLUS programs.
- **Medical Claims expense.** An increase of \$13 million primarily associated with the claim costs of the new Medicare D-SNP and STAR+PLUS programs.
- **Supplies and Pharmaceuticals expenses.** An increase of \$500 thousand due primarily to pharmacy inflationary increase for oncology drugs. Expected medical supply inflation increases are planned to be offset with renewed focus on supply and contract management savings.
- **Other Operating expenses.** An increase of \$1.7 million (5%) due to: 1) lease expense for pharmacy dispensing and CT machine rentals at the two new Emergency Rooms; and 2) increased advertising of El Paso Health's new programs.

- ***Intergovernmental Transfer expense.*** A decrease of \$44 million (100%) due to the end of the El Paso Collaborative current structure which was discussed previously in the Physician Fees section. This is being replaced with the LPPF program discussed earlier.
- ***Depreciation expense (a non-cash expense).*** An increase of \$4 million (15%) due to: 1) a full year of depreciation expense for the new CERNER Ambulatory project; and 2) partial year depreciation expense for the two new ERs.

FY20 Routine Capital Budget

Total Routine Capital budget of \$13 million.

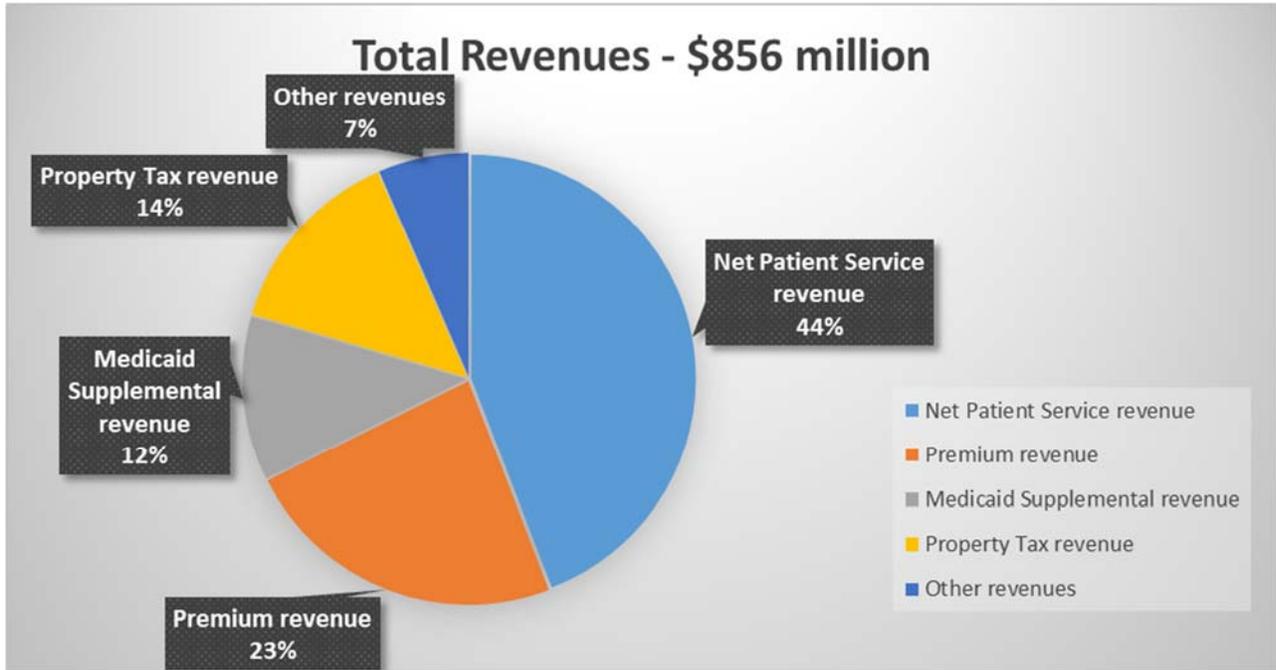
- UMC's routine capital budget is \$10 million, primarily consisting of medical equipment and Information Technology costs.

Planned bond construction expenditures, funded by the remaining 2013 bond proceeds, are \$10 million for the Northeast and East ERs, Cath Lab renovations and the Interventional / EP Lab.

- El Paso Health's routine capital budget is \$2 million, mainly for the CORE and Claims system enhancements.
- El Paso Children's routine capital budget is \$950 thousand.

FY20 Revenue Budget Assumptions

The total revenue increase from FY19 forecast is \$64 million. This increase in expenses is primarily driven by UMC 68%, 28% by El Paso Health and 4% by El Paso Children's.



Net Patient Service Revenue

Net Patient Service revenue is budgeted to be \$378 million, a \$22 million increase or 6%. UMC is increasing 8% and El Paso Children's is increasing 4%.

UMC

UMC's Net Patient Service Revenue, Adjusted Admissions, Net Patient Service revenue per Adjusted Admission are as follows:

	2017	2018	2019	2019	2020
	Actual	Actual	Budget	Forecast	Budget
Net Patient Service Revenue	\$ 194,245,548	\$ 228,122,411	\$ 239,226,772	\$ 262,505,400	\$ 280,473,912
Adjusted Admissions (AA)	30,113	32,204	32,734	30,615	31,573
Net Patient Service Revenue Per AA	\$ 6,450	\$ 7,084	\$ 7,308	\$ 8,574	\$ 8,883
Annual % Change	2.8%	9.8%	3.2%	17.3%	3.6%

The increase in Net Patient Revenue per AA is due to significant anticipated volume growth with new assets placed in to service in late 2019 and expansion to existing service lines specifically in neurosurgery and surgery.

UMC's payor mix is as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Medicare	24.1%	24.6%	25.1%	26.2%	26.1%
Medicaid	16.7%	15.6%	15.9%	15.5%	15.2%
Other	6.1%	6.3%	6.3%	6.3%	6.2%
Charity	20.2%	19.8%	19.8%	18.5%	18.7%
Commercial	7.3%	8.2%	8.0%	7.8%	7.9%
HMO / PPO	8.6%	8.3%	8.4%	8.2%	8.3%
Self Pay	16.8%	17.2%	16.5%	17.5%	17.5%
Funded %	63.0%	63.0%	63.7%	64.0%	63.8%
Unfunded %	37.0%	37.0%	36.3%	36.0%	36.2%

In support of its mission, UMC provides voluntarily care to patients at less than established charges if they meet UMC's charity care criteria. Uncompensated Care revenue and estimated costs to provide Uncompensated Care revenue are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Charity Care	\$ 239,445,341	\$ 257,127,528	\$ 251,528,531	\$ 270,067,623	\$ 291,186,360
Provision for Doubtful Accounts	139,304,177	139,304,177	141,087,902	189,667,510	194,324,556
Uncompensated Care Charges	<u>\$ 378,749,518</u>	<u>\$ 396,431,705</u>	<u>\$ 392,616,433</u>	<u>\$ 459,735,134</u>	<u>\$ 485,510,916</u>
Estimated Costs to Provide Uncompensated Care	\$ 154,640,063	\$ 156,209,114	\$ 161,688,230	\$ 179,381,902	\$ 189,255,309

UMC Inpatient volumes are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Admissions	14,824	16,042	16,374	15,208	15,410
Adjusted Admissions	30,113	32,204	32,734	30,615	31,573
Discharges	14,799	16,034	16,442	15,240	15,414
Patient Days	67,585	75,149	75,446	76,445	77,622
Observation Days	3,708	4,572	4,168	6,504	6,579
Births	3,002	2,816	2,883	2,621	2,621
Average Daily Census	185.2	205.9	206.7	209.4	212.7
Average Length of Stay	4.6	4.7	4.6	5.0	5.0
Emergency Room Visits	58,455	61,960	61,907	62,828	79,466
Surgical Cases	7,737	7,977	7,945	7,906	8,232
Inpatient	4,407	4,638	4,742	4,599	4,692
Outpatient	3,330	3,339	3,203	3,307	3,540
Endoscopy Procedures	7,082	8,669	8,667	8,804	8,885
Inpatient	1,764	1,987	1,959	2,096	2,114
Outpatient	5,318	6,682	6,708	6,708	6,770
Daily averages					
Admissions	40.6	44.0	44.9	41.7	42.1
Births	8.2	7.7	7.9	7.2	7.2
Emergency Room Visits	160.2	169.8	169.6	172.1	217.1

UMC's outpatient volumes are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Outpatient Visits	761,097	852,248	824,295	906,327	909,175
Hospital Ancillary	642,043	711,735	691,912	758,937	759,859
Laboratory	239,738	254,204	256,979	263,725	269,001
Pharmacy	239,574	264,869	250,667	287,087	278,553
Radiology	78,419	92,876	91,486	92,423	94,271
Rehabilitation	52,660	55,577	55,642	57,816	59,839
Infusion	6,506	7,095	7,047	7,659	7,968
Occupational Health	25,146	37,114	30,091	50,228	50,227
Primary Care	108,203	130,785	132,383	147,390	149,316
10671 Montwood			-	-	-
10679 County Clinic	2,702	2,666	2,517	3,395	2,981
10682 Fabens	16,978	18,832	17,463	18,789	18,750
10686 Employee	4,025	4,290	5,114	4,311	4,300
10688 Ysleta	33,212	33,939	34,801	34,822	35,250
10825 East	10,905	30,849	34,199	43,169	43,250
10826 West	4,975	21,931	22,485	28,324	28,200
10870 George Dieter	14,956	13,827	12,355	10,411	10,931
10877 Mattox	1,989	1,694	1,750	1,822	1,680
10878 Crossroads	6,791		-	-	-
10879 Neuro Surgical	1,626	1,711	1,699	2,347	2,575
10883 Delta	2,574	1,046	-	-	-
West Mesa/Resler	3,857	-	-	-	-
East Montana/J.Battle	3,613	-	-	-	-
10xxx UTEP	-	-	-	-	1,000
10xxx HUDS	-	-	-	-	399
Women's Health	10,851	9,728	-	-	-
Daily average	2,432	2,723	2,634	2,896	2,905

El Paso Children's

El Paso Children's Net Patient Service Revenue, Adjusted Admissions, Net Patient Service revenue per Adjusted Admission are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Net Patient Service Revenue	\$ 72,486,000	\$ 76,452,464	\$ 87,161,000	\$ 93,068,852	\$ 97,320,797
Adjusted Admissions (AA)	7,128	7,174	7,910	8,194	8,444
Net Patient Service Revenue Per AA	\$ 10,169	\$ 10,657	\$ 11,019	\$ 11,358	\$ 11,525
Annual % change	-14.5%	4.8%	3.4%	3.1%	1.5%

El Paso Children’s payor mix is as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Medicare	0.7%	2.2%	1.0%	0.4%	0.9%
Medicaid	62.4%	58.7%	62.0%	64.0%	62.4%
Other	10.8%	13.2%	10.4%	3.4%	6.1%
Charity	0.6%	1.3%	0.7%	0.3%	0.5%
Commercial	9.1%	9.7%	10.5%	22.4%	18.6%
HMO / PPO	10.3%	8.4%	10.1%	4.3%	6.5%
Self Pay	6.1%	6.6%	5.3%	5.2%	5.1%
Funded %	93.3%	92.1%	93.9%	94.5%	94.4%
Unfunded %	6.7%	7.9%	6.1%	5.5%	5.6%

Medicaid Supplemental Program revenue

Medicaid Supplemental Program revenue consists of the following:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
UC	\$ 22,493,498	\$ 19,339,133	\$ 20,649,888	\$ 20,231,720	\$ 37,341,288
DSRIP	33,957,921	31,568,994	41,045,108	37,078,601	32,943,972
NAIP	15,086,985	15,723,521	15,881,000	15,881,004	15,881,004
DSH	16,003,262	14,946,511	14,564,004	14,794,149	12,157,656
GME	-	-	-	3,302,232	3,302,232
Total	\$ 87,541,666	\$ 81,578,159	\$ 92,140,000	\$ 91,287,706	\$ 101,626,152

The Medicaid Supplemental Program revenue is increasing by \$10 million (11%), mainly due to the change in distributing UC based solely on charity care and no longer based on charity care and Medicaid shortfall.

DSRIP is in its last two years of its funding and will be ending on September 30, 2021. HHSC is currently working with the CMS on a transition program to become effective October 1, 2021.

Premium revenue

Premium Revenue, Member months and Premium Revenue per Member per Month (“PMPM”) (excluding NAIP revenue) are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Premium revenue	\$ 174,421,140	\$ 172,877,632	\$ 179,669,713	\$ 183,194,392	\$ 200,856,743
Member months	909,717	905,754	912,613	872,156	876,350
Premium revenue PMPM	\$ 192	\$ 191	\$ 197	\$ 210	\$ 229

The 2020 budget incorporates the final rates received from HHSC for both the STAR and CHIP programs.

As overall Texas and El Paso County Managed Medicaid membership have decreased this past year, STAR member months are budgeted to decrease by 1.9% and CHIP member months are budgeted to decrease by 1.6%.

El Paso Health is budgeting to begin serving its Medicare D-SNP product line in January 2020 and its STAR+PLUS Medicaid product line in September 2020.

El Paso Health's overall member months are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
STAR	781,312	780,797	785,622	760,944	745,966
CHIP	123,791	120,235	122,203	106,629	105,216
CHIP - Perinate	4,614	4,722	4,788	4,583	4,668
Medicare (D-SNP)	-	-	-	-	4,500
STAR+PLUS	-	-	-	-	16,000
	909,717	905,754	912,613	872,156	876,350

Property Tax Revenue

Property Tax revenue consists of the following:

	2017	2018	2019	2019	2019
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Maintenance and Operations	\$ 79,763,171	\$ 81,156,690	\$ 86,224,433	\$ 86,224,433	\$ 96,110,249
Interest and Debt Service-					
Series 2008A General Obligation Bonds	5,009,234	2,345,200	-	-	-
Series 2009 General Obligation Refunding Bond	1,704,625	1,743,975	-	-	-
Series 2013 Combination Tax & Revenue Certificates of Obligation	7,402,369	7,398,118	7,261,919	7,261,919	7,263,869
Series 2013 General Obligation Refunding Bonds		7,251,850	9,127,850	9,127,850	9,129,850
Series 2017 General Obligation Refunding Bonds	2,466,951	4,939,750	7,234,750	7,234,750	7,230,000
	16,583,179	23,678,893	23,624,519	23,624,519	23,623,719
	96,346,350	104,835,583	109,848,952	109,848,952	119,733,968
Delinquent taxes, penalties and interest	888,244	1,884,366	1,057,092	1,057,092	1,057,092
Uncollectible Tax expense	(1,218,614)	(2,843,064)	(1,433,332)	(1,433,332)	(1,433,332)
	\$ 96,015,980	\$ 103,876,885	\$ 109,472,712	\$ 109,472,712	\$ 119,357,728

Property Tax revenue is increasing by \$10 million or 8% primarily due to management's recommendation to adopt the rollback tax rate.

If approved, the property tax rate would increase by 6.3% to .267745 from the 2019 rate of .251943 and by 5.6% from the effective tax rate of .253519.

The Property tax rate components are as follows:

	2017	2018	2019	2019	2020
	Actual	Actual	Budget	Actual	Budget
Maintenance and Operations	\$ 0.193253	\$ 0.195064	\$ 0.197760	\$ 0.197760	\$ 0.214919
Interest and Debt Service	\$ 0.041203	\$ 0.056879	\$ 0.054183	\$ 0.054183	\$ 0.052826
Total	\$ 0.234456	\$ 0.251943	\$ 0.251943	\$ 0.251943	\$ 0.267745

The Effective and Rollback tax rates are as follows:

	2017	2018	2019	2020
	Actual	Actual	Budget	Budget
Effective Tax Rate:				
Prior Year Adjusted Taxes	\$ 88,984,934	\$ 96,639,969	\$ 106,874,040	\$ 111,379,418
Prior Year Adjusted Taxable Value	\$ 40,090,167,359	\$ 41,033,270,802	\$ 41,991,599,534	\$ 44,058,970,193
Current year taxable value	\$ 40,720,745,831	\$ 41,630,060,408	\$ 43,600,762,827	\$ 44,719,344,828
Current year improvements	747,450,235	798,857,655	781,991,390	786,054,435
Current year adjusted taxable value	\$ 39,973,295,596	\$ 40,831,202,753	\$ 42,818,771,437	\$ 43,933,290,393
Current year effective tax rate	\$ 0.222610	\$ 0.236681	\$ 0.249596	\$ 0.253519
% increase in cy taxable value	2.24%	2.23%	4.73%	2.57%
% increase in cy adjusted taxable value	2.31%	2.15%	4.87%	2.60%
Rollback Tax Rate:				
Prior year adjusted operating taxes	\$ 71,527,889	\$ 79,647,051	\$ 82,629,588	\$ 87,427,139
Current year effective M&O rate	\$ 0.178939	\$ 0.195064	\$ 0.192975	\$ 0.199000
	1.08	1.08	1.08	1.08
Current year maximum rollback rate	\$ 0.193254	\$ 0.210669	\$ 0.208413	\$ 0.214919
Current year debt to be paid by taxes	\$ 16,583,179	\$ 23,678,893	\$ 23,624,519	\$ 23,623,719
Current year debt tax rate	\$ 0.040724	\$ 0.056879	\$ 0.054183	\$ 0.052826
Current year total rollback tax rate	\$ 0.233978	\$ 0.267548	\$ 0.262596	\$ 0.267745

Net Contract revenue

Net Contract revenue of \$8.2 million represents a full year of clinical services provided for the County Correctional Health Center (“Health Center”). UMC began providing services to the Health Center in May 2019 consisting of approximately 60 Full Time Equivalents (FTEs) and operating at two sites.

Contribution Revenue

Contribution revenue consists of the following:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
In-kind revenue	\$ 8,689,943	\$ 10,336,632	\$ 8,187,666	\$ 11,295,735	\$ 10,260,709
Contribution revenue	2,243,581	3,903,494	5,982,152	3,181,605	5,964,735
	<u>\$ 10,933,524</u>	<u>\$ 14,240,126</u>	<u>\$ 14,169,818</u>	<u>\$ 14,477,340</u>	<u>\$ 16,225,444</u>
Annual \$ change	\$ 1,667,915	\$ 3,306,602	\$ (70,308)	\$ 307,522	\$ 1,748,104

In-kind revenue primarily consists of pharmaceuticals companies and its related free pharmaceuticals received. We expect certain free drug programs to cease operations in FY20.

The UMC and El Paso Children’s Foundations will be aggressively pursuing major pledges and new fundraising campaigns, including an El Paso Children’s Capital Campaign. New resources will be added to ensure success of these initiatives.

Other operating revenue

Other Operating revenue consists of the following:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
NAIP revenue	\$ 17,811,442	\$ 18,305,212	\$ 18,140,998	\$ 18,048,153	\$ 17,593,094
Grant revenue	4,664,259	3,596,795	3,145,720	2,929,616	3,066,228
Cafeteria revenue	4,001,108	3,985,443	3,941,423	3,962,425	4,076,136
Gift Shop revenue	973,276	982,569	965,942	1,014,518	980,001
Other revenue	2,000,044	1,664,222	673,841	919,958	831,732
Trauma revenue	1,305,516	(2,592,687)	1,456,188	-	-
	<u>\$ 30,755,645</u>	<u>\$ 25,941,554</u>	<u>\$ 28,324,112</u>	<u>\$ 26,874,671</u>	<u>\$ 26,547,191</u>
Annual \$ change	\$ (9,981,533)	\$ (4,814,091)	\$ 2,382,558	\$ (1,449,441)	\$ (327,480)

The primary decrease is in El Paso Health’s NAIP administrative fee revenue.

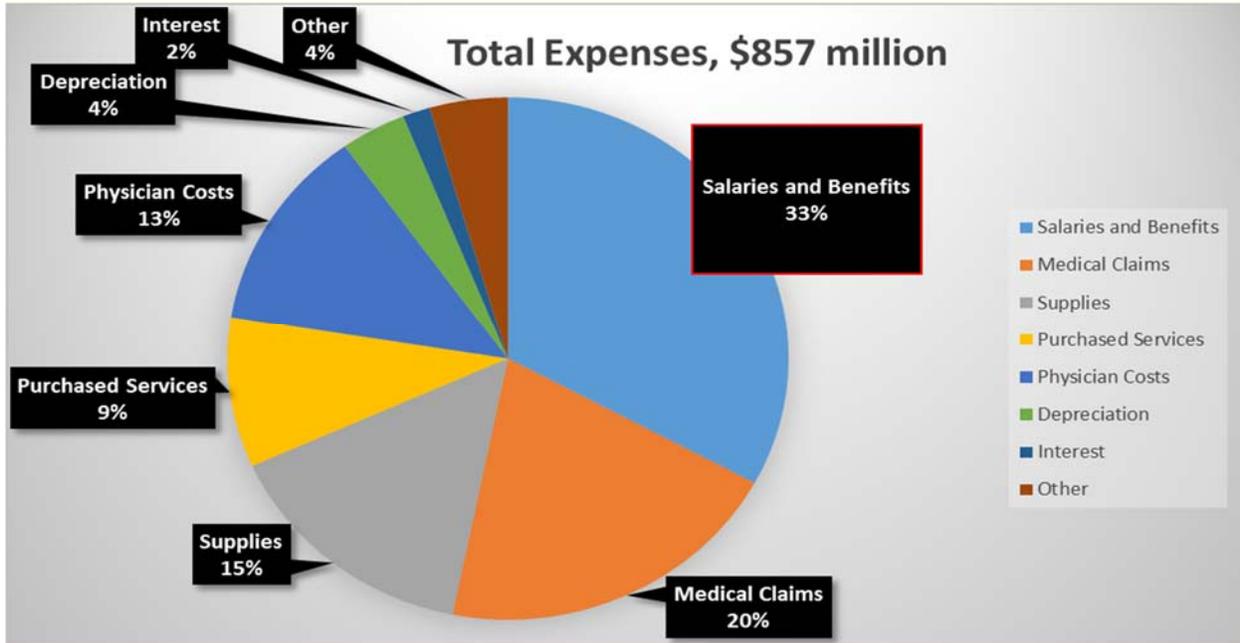
Tobacco Revenue

Tobacco Revenue is the result of a settlement between various Texas counties, healthcare providers and the tobacco industry for tobacco health-related costs. Tobacco revenue is as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Tobacco revenue	\$ 1,824,952	\$ 1,888,417	\$ 1,907,304	\$ 2,027,074	\$ 2,020,056

FY20 Expense Budget Assumptions

Total Operating Expenses increased \$56 million or 7%. Of this increase, UMC represents about 74% of the increase and El Paso Health about 26%.



Salary costs and FTEs

Salary costs and Paid FTE's are as follows:

	2017 Actual	2018 Actual	2019 Budget	2019 Forecast	2020 Budget
Salaries and Wages	\$ 190,755,271	\$ 194,424,925	\$ 207,951,716	\$ 210,612,255	\$ 228,786,226
Paid FTEs:					
UMC	2,600	2,345	2,636	2,581	2,771
Correctional Health	-	-	-	-	70
Grant-funded	26	22	19	17	18
El Paso Health	139	131	162	142	165
El Paso Children's	511	505	498	524	542
Total	3,276	3,003	3,315	3,264	3,566

UMC

Salaries and wages are increasing \$18.3 million or 9%. The increase is due to:

- A planned merit increase of 1% with a cost of \$2 million with benefits. Previous year merit increases have been:
 - 2019 1.0%
 - 2018 1.5%
 - 2017 2.6%

- 2016 2.2%
- 2015 none
- 2014 2.5%
- 2013 2.5%
- 2012 1.5%
- 2011 none
- a full year of 2019 market adjustments and a 2020 fourth quarter market adjustments with a combined cost of \$3.2 million;
- 4th quarter minimum wage adjustment to \$11 per hour
- opening of two new ERs in East and Northeast with estimated 60 FTEs.
- another 70 FTEs for new operations at El Paso County Correctional Center
- 30 Ftes for continued growth at new East and West Neighborhood health Center

The increase in UMC FTEs is mainly associated with strategic growth in key areas noted above. We will continue to emphasize strategies to flex according to volume fluctuations, review FTE skill mix, and management of over time

El Paso Health

El Paso Health salary expense is increase \$2.1 million. The increase is due to growth of 23 FTES associated with new Star Plus program.

El Paso Children’s

El Paso Children’s is targeting growth of 18 FTEs of which 12 are in revenue generating areas. The total salary increase from FY19 amounts to \$500 thousand and includes a 2% merit increase. This is the second year since 2012 that El Paso Children’s associates will be receiving a merit increase.

Employee Benefits

Employee Benefits consist of the following:

	2017	2018	2019	2019	2020
	Actual	Actual	Budget	Forecast	Budget
FICA costs	\$ 13,126,580	\$ 13,299,041	\$ 14,432,916	\$ 14,271,884	\$ 15,536,188
Health insurance costs	13,501,287	13,087,529	12,570,886	16,169,467	13,669,672
Retiree Health Insurance Costs	713,550	(4,593,065)	279,400	277,317	276,000
Retirement costs	15,660,952	13,710,581	12,595,418	12,451,702	14,924,319
Retirement Gasb 68	-		2,400,000	12,765,000	6,966,260
Other	1,131,307	1,214,842	1,212,981	1,923,452	1,862,954
	\$ 44,133,676	\$ 36,718,928	\$ 43,491,601	\$ 57,858,822	\$ 53,235,393

Employee benefits are decreasing \$4.7 million, primarily due to the 2019 GASB No. 68 \$12.7 million non-cash expense based on the retirement plan’s negative 2% investment return in calendar 2018. We are budgeting an investment return of 8.5% in calendar 2019 that results in a \$7 million GASB No. 68 non-cash expense. The Texas County District Retirement System (TCDRS) contribution rate is increasing from 7.3% in 2019 to 7.84% in 2020. FICA and the retirement expense increases are directly related to the salary expense increase.

Physician Fees

Physician Fees are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Physician Fees	\$ 20,995,552	\$ 47,812,361	\$ 47,789,991	\$ 49,525,585	\$ 107,611,087
Annual \$ variance	\$ 7,315,365	\$ 26,816,809	\$ (22,370)	\$ 1,735,594	\$ 58,085,502

The increase is due to the termination of the El Paso Collaborative program. HHSC and CMS have agreed to a revised Medicaid program, which now provides private hospital funding through and LPPF program. The Texas Legislature approved the El Paso LPPF program in June 2019.

Medical Claims expense

Medical Claims expense and Medical Claims expense PMPM are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Medical Claims expense	\$ 145,824,311	\$ 151,833,826	\$ 154,349,865	\$ 160,771,820	\$ 173,555,189
Member months	909,717	905,754	912,613	872,156	876,350
Medical Claims expense PMPM	\$ 160	\$ 168	\$ 169	\$ 184	\$ 198

Supply and Pharmaceutical Costs

Supply and pharmaceutical costs consist of the following:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Medical supplies	\$ 58,902,447	\$ 66,961,491	\$ 59,275,820	\$ 68,202,047	\$ 68,023,907
Pharmaceuticals	48,969,986	46,829,597	54,962,760	56,426,261	57,084,827
Nonmedical supplies	6,332,670	5,560,204	6,242,940	5,756,884	5,765,959
Purchase Discounts	(1,816,068)	(1,751,405)	(1,579,976)	(1,661,425)	(1,665,834)
Inventory Adjustments	57,321	(629,829)	(118,770)	(32,543)	-
	<u>\$ 112,446,356</u>	<u>\$ 116,970,058</u>	<u>\$ 118,782,774</u>	<u>\$ 128,691,224</u>	<u>\$ 129,208,859</u>

Medical Supply costs are decreasing by \$500 thousand. The increase in medical supply intensive areas like the Operating Room and Cath Lab supplies and new initiatives including the opening of the two ERs and the EP Lab is off set with cost savings initiatives being put in place via contract management efforts.

Pharmaceutical supplies are expected to increase by \$700 thousand (1%) due to inflation and full year of pharmaceuticals usage in the new Correctional Health clinics.

Medical and non-medical supply costs per AA are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Medical Supplies per AA	\$ 1,584	\$ 1,700	\$ 1,458	\$ 1,757	\$ 1,700
Pharmaceutical expense per AA	\$ 1,317	\$ 1,189	\$ 1,352	\$ 1,454	\$ 1,427
Nonmedical supply costs per AA	\$ 170	\$ 141	\$ 154	\$ 148	\$ 144

Purchased Services

Purchased Services consist of the following:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Medical Referrals	\$ 1,081,555	\$ 4,564,839	\$ 5,571,462	\$ 5,250,977	\$ 5,370,416
Utilities	6,372,193	5,386,798	5,994,121	4,723,864	5,512,317
Legal and Audit	1,205,134	1,603,253	1,958,674	1,325,960	1,407,171
Computer Fees	16,514,106	16,725,184	19,539,822	17,201,700	21,056,436
Repairs and Maintenance	4,336,926	4,812,247	4,349,387	4,030,295	5,667,903
Contract Personnel	9,061,493	9,966,638	5,117,230	6,088,038	3,063,022
Other Purchased Services	27,461,968	30,549,617	28,061,238	32,738,201	37,635,118
	\$ 66,033,375	\$ 73,608,576	\$ 70,591,934	\$ 71,359,035	\$ 79,712,383

Overall, Purchased Services are increasing \$8.4 million or 12%. Significant variations are as follows:

- **Other Purchased Services.** An increase of \$4.9 million or 14% attributable mainly to the following:
 - El Paso Health growth of \$2.5 million for new Medare D-SNP and STAR PLUS programs.
 - UMC increase of \$1.8 million due to the Emergence partnership, Correctional Health contract and new OR navigation procedures that will have revenue offset.
 - El Paso Children's growth of \$1.4 million due to clinical documentation initiatives which should have revenue offset.
- **Computer Fees.** An increase of \$3.8 million or 22%, primarily as a result of the Cerner ambulatory system implementation, and annual CPI increases related to Cerner and other programs.
- **Repairs and Maintenance.** An increase of \$1.6 million or 41% associated with repairs to the aging main facility.
- **Contract Personnel.** A decrease of \$3 million or 50% with goal of using employees to manage the growth in the facility rather than contract especially in nursing areas.

Other expenses

Other expenses are as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
NAIP claims expense	\$ 17,811,442	\$ 18,305,212	\$ 18,140,998	\$ 18,048,153	\$ 17,593,094
Fees, Dues, Periodicals	1,642,166	2,062,622	1,872,466	2,061,050	2,283,565
Travel	550,230	405,942	502,575	466,638	559,700
Education Bank	483,343	465,509	648,855	448,513	584,126
Insurance	820,514	1,257,698	1,756,409	1,727,408	1,626,319
Recruitment	533,455	532,835	560,000	574,667	474,554
Lease and rental	5,365,382	5,136,002	4,986,756	4,591,430	5,457,918
Freight and postage	1,056,324	1,263,787	1,294,043	1,245,127	1,313,145
Premium taxes	3,417,048	3,416,057	3,553,737	3,576,320	3,905,178
Advertising	995,563	981,524	1,196,886	1,602,340	2,200,313
Tax Appraisal fees	1,270,545	1,306,715	1,458,845	1,285,403	1,478,549
Miscellaneous	1,717,499	917,127	1,288,467	1,009,958	902,525
	\$ 35,663,511	\$ 36,051,030	\$ 37,260,037	\$ 36,637,006	\$ 38,378,986

Other expenses are increasing \$1.7 million or 5%. Significant variations are as follows:

- **Lease and Rental.** An increase of \$1 million due to additional equipment such as Pyxis Machines and CT scanners needed for the opening of the East and Northeast Emergency Rooms.
- **NAIP.** NAIP claims expense is decreasing due to lower administrative revenues. This offsets in NAIP revenue above.
- **Premium Taxes.** Increased by \$328 thousand from FY19 run rate.
- **Tax Appraisal fees.** An increase of \$193 thousand due to UMC's share of the El Paso County Appraisal District's Fiscal 2020 budget. As county tax levy's increase, the overall appraisal tax increases as well.
- **Fees and Dues.** Increase of \$222 thousand is primarily due to El Paso Children's reclass from purchased services to be consistent with UMC's presentation.
- **Freight and Postage.** An increase of \$68 thousand or 5% primarily due to El Paso Health development of new mail outs to promote the new STAR+PLUS program.
- **Advertising.** An increase of \$600 thousand or 37% mainly due to El Paso Health's promotion of new STAR+PLUS program.
- **Insurance.** A decrease of \$100 thousand or 6% due to expected premium decreases in 2019 for UMC.
- **Education Bank.** An increase of \$135 thousand or 30% primarily due to El Paso Health's increased education needs for the STAR+PLUS program.
- **Recruitment.** A decrease of \$100 thousand or 17% primarily for UMC.
- **Travel.** An increase of \$93 thousand or 20% mainly due to El Paso Health.

Interest Expense

Interest expense is as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Interest expense	\$ 12,437,435	\$ 12,579,301	\$ 12,746,168	\$ 12,718,496	\$ 13,658,434

Interest expense is increasing \$940 thousand or 7%. The increase is primarily due to the interest capitalization of the Cerner Ambulatory Project and ER project capitalization. As the projects went live,

the related interest expense is expensed rather than capitalized as part of the project. ***There is no cash flow impact from this accounting treatment.***

In Fiscal 2021, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. Interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset as previously done. The requirements of this Statement are adopted prospectively. ***As a result, an additional \$2.6 million in interest expense will be reflected in the 2021 Statement of Changes in Net Position. There will be no cash flow impact from adopting this new accounting standard.***

Intergovernmental Transfer (IGT) expense

IGT expense is as follows:

	2017	2018	2019	2019	2020
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Forecast</u>	<u>Budget</u>
Intergovernmental Transfer expense	\$ 52,921,309	\$ 40,987,531	\$ 42,220,201	\$ 44,201,377	\$ -

As previously mentioned in the Physician Fees expense section, the decrease is due to the termination of the current El Paso Collaborative program. HHSC and CMS have agreed to a revised Medicaid program, which now provides private hospital funding through an LPPF. The Texas Legislature approved the El Paso LPPF program in June 2019.

TAB 2



Historical Income Statement Trend and Financial Projection

Fiscal Year	Days in Period		2019				2020		
	365 2017	366 2018	365 Budget	365 Projection	budget variance	% budget variance	366 Budget	2019 Projection variance	2019 Projection % variance
Statement of Revenues, Expenses and Changes in Net Position									
Change in Net Position	(\$41,129,458)	(\$31,328,782)	(\$11,203,662)	(\$9,742,446)	\$1,461,216	-13%	(\$1,270,753)	(\$8,471,693)	87%
Operating Revenues-	570,383,789	599,212,346	640,691,415	675,188,893	\$34,497,478	5%	731,299,339	56,110,446	8%
Net Patient Service Revenue	266,731,814	304,574,875	326,387,772	355,574,251	29,186,479	9%	377,794,709	22,220,457.60	6%
Net Premium Revenue	174,421,140	172,877,632	179,669,713	183,194,392	3,524,679	2%	200,856,743	17,662,351	10%
Medicaid Supplemental Revenue-	87,541,666	81,578,159	92,140,000	91,287,706	852,294	1%	101,626,152	10,338,446	11%
UC / UPL revenue	22,493,498	19,339,133	20,649,888	20,231,720	(418,168)	-2%	37,341,288	17,109,568	85%
DSRIP revenue	33,957,921	31,568,994	41,045,108	37,078,601	(3,966,507)	-10%	32,943,972	(4,134,629)	-11%
DSH revenue	16,003,262	14,946,511	14,564,004	14,794,149	230,145	2%	12,157,656	(2,636,493)	-18%
NAIP revenue	15,086,985	15,723,521	15,881,000	15,881,004	4	0%	15,881,004	-	0%
GME revenue				3,302,232	3,302,232	#DIV/0!	3,302,232	-	0%
Net Contract revenue	-	-	-	3,780,533	3,780,533	#DIV/0!	8,249,100	4,468,567	118%
Contribution revenue	10,933,524	14,240,126	14,169,818	14,477,340	(307,522)	-2%	16,225,444	1,748,104	12%
In-kind revenue	8,689,943	10,336,632	8,187,666	11,295,735	3,108,069	38%	10,260,709	(1,035,026)	-9%
Contribution revenue	2,243,581	3,903,494	5,982,152	3,181,605	(2,800,547)	-47%	5,964,735	2,783,130	87%
Other Operating Revenues-	30,755,645	25,941,554	28,324,112	26,874,671	1,449,441	5%	26,547,191	(327,480)	-1%
NAIP revenue	17,811,442	18,305,212	18,140,998	18,048,153	(92,845)	-1%	17,593,094	(455,059)	-3%
Grant revenue	4,664,259	3,596,795	3,145,720	2,929,616	(216,104)	-7%	3,066,228	136,612	5%
Cafeteria revenue	4,001,108	3,985,443	3,941,423	3,962,425	21,002	1%	4,076,136	113,711	3%
Gift Shop revenue	973,276	982,569	965,942	1,014,518	48,576	5%	980,001	(34,517)	-3%
Trauma revenue	1,305,516	(2,592,687)	1,456,188	-	(1,456,188)	-100%	-	-	#DIV/0!
Other revenue	2,000,044	1,664,222	673,841	919,958	246,117	37%	831,732	(88,226)	-10%
Operating Expenses-	\$697,596,140	\$727,142,579	\$752,095,087	\$787,810,074	(\$35,714,987)	-5%	\$842,901,860	(\$55,091,786)	-7%
Salaries and Wages	190,755,271	194,424,925	207,951,716	210,612,255	(2,660,539)	-1%	228,786,226	(18,173,971)	-9%
Employee Benefits	44,133,676	36,718,928	43,491,601	57,858,822	(14,367,221)	-33%	53,235,393	4,623,429	8%
Physician Fees	20,995,552	47,812,361	47,789,991	49,525,585	(1,735,594)	-4%	107,611,087	(58,085,502)	-117%
Purchased Services-	66,033,375	73,608,576	70,591,934	71,359,035	(767,101)	-1%	79,712,383	(8,353,348)	-12%
Medical Referrals	1,081,555	4,564,839	5,571,462	5,250,977	320,485	6%	5,370,416	(119,439)	-2%
Utilities	6,372,193	5,386,798	5,994,121	4,723,864	1,270,257	21%	5,512,317	(788,453)	-17%
Legal and Audit	1,205,134	1,603,253	1,958,674	1,325,960	632,714	32%	1,407,171	(81,211)	-6%
Computer Fees	16,514,106	16,725,184	19,539,822	17,201,700	2,338,122	12%	21,056,436	(3,854,736)	-22%
Repairs and Maintenance	4,336,926	4,812,247	4,349,387	4,030,295	319,092	7%	5,667,903	(1,637,608)	-41%
Contract Personnel	9,061,493	9,966,638	5,117,230	6,088,038	(970,808)	-19%	3,063,022	3,025,016	50%

Historical Income Statement Trend and Financial Projection

Fiscal Year	Days in Period		2019				2020		
	365 2017	366 2018	365 Budget	365 Projection	budget variance	% budget variance	366 Budget	2019 Projection variance	2019 Projection % variance
Other Purchased Services	27,461,968	30,549,617	28,061,238	32,738,201	(4,676,963)	-17%	37,635,118	(4,896,917)	-15%
Supplies-	112,446,356	116,970,058	118,782,774	128,691,224	(9,908,450)	-8%	129,208,859	(517,635)	0%
Medical Supplies	58,902,447	66,961,491	59,275,820	68,202,047	(8,926,227)	-15%	68,023,907	178,140	0%
Pharmaceuticals	48,969,986	46,829,597	54,962,760	56,426,261	(1,463,501)	-3%	57,084,827	(658,566)	-1%
Non-medical Supplies	6,332,670	5,560,204	6,242,940	5,756,884	486,056	8%	5,765,959	(9,075)	0%
Purchasing Discounts	(1,816,068)	(1,751,405)	(1,579,976)	(1,661,425)	81,449	-5%	(1,665,834)	4,409	0%
Inventory Adjustments	57,321	(629,829)	(118,770)	(32,543)	(86,227)	73%	-	(32,543)	100%
Other Operating Expenses-	35,663,511	36,051,030	37,260,037	36,637,006	623,031	2%	38,378,986	(1,741,980)	-5%
NAIP claims expense (El Paso First)	17,811,442	18,305,212	18,140,998	18,048,153	92,845	1%	17,593,094	455,059	3%
Fees, Dues, Periodicals	1,642,166	2,062,622	1,872,466	2,061,050	(188,584)	-10%	2,283,565	(222,515)	-11%
Travel	550,230	405,942	502,575	466,638	35,937	7%	559,700	(93,062)	-20%
Education Bank	483,343	465,509	648,855	448,513	200,342	31%	584,126	(135,613)	-30%
Insurance	820,514	1,257,698	1,756,409	1,727,408	29,001	2%	1,626,319	101,089	6%
Recruitment	533,455	532,835	560,000	574,667	(14,667)	-3%	474,554	100,113	17%
Lease and rental	5,365,382	5,136,002	4,986,756	4,591,430	395,326	8%	5,457,918	(866,488)	-19%
Freight and postage	1,056,324	1,263,787	1,294,043	1,245,127	48,916	4%	1,313,145	(68,018)	-5%
Premium taxes	3,417,048	3,416,057	3,553,737	3,576,320	(22,583)	-1%	3,905,178	(328,858)	-9%
Advertising	995,563	981,524	1,196,886	1,602,340	(405,454)	-34%	2,200,313	(597,973)	-37%
Tax Appraisal fees	1,270,545	1,306,715	1,458,845	1,285,403	173,442	12%	1,478,549	(193,146)	-15%
Miscellaneous	1,717,499	917,127	1,288,467	1,009,958	278,509	22%	902,525	107,433	11%
Medical claims	145,824,311	151,833,826	154,349,865	160,771,820	(6,421,955)	-4%	173,555,189	(12,783,369)	-8%
Intergovernmental Transfer	52,921,309	40,987,531	42,220,201	44,201,377	(1,981,176)	-5%	-	44,201,377	100%
Depreciation	28,822,779	28,735,344	29,656,968	28,152,950	1,504,018	5%	32,413,737	(4,260,787)	-15%
Nonoperating Revenues, net-	\$86,082,893	\$96,601,451	\$100,200,010	\$102,878,734	\$2,678,724	3%	\$110,331,768	\$7,453,034	7%
Property tax revenue	95,526,418	104,590,464	109,472,700	110,353,623	880,923	1%	119,357,728	9,004,105	8%
Investment return	548,160	956,534	848,697	1,600,758	752,061	89%	993,157	(607,601)	-38%
Tobacco settlement	1,824,952	1,888,417	1,907,304	2,027,074	119,770	6%	2,020,056	(7,018)	0%
Other nonoperating revenue	1,617,920	1,873,858	1,671,956	1,897,842	225,886	14%	1,848,802	(49,040)	-3%
Interest expense	(12,437,435)	(12,579,301)	(12,746,168)	(12,718,496)	27,672	0%	(13,658,434)	(939,938)	7%
Contributions to others	(997,122)	(128,521)	(954,479)	(282,066)	672,413	-70%	(229,541)	52,525	-19%

Historical Income Statement Trend and Financial Projection

Fiscal Year	Days in Period		2019				2020		
	365 2017	366 2018	365 Budget	365 Projection	budget variance	% budget variance	366 Budget	2019 Projection variance	2019 Projection % variance
Key Statistics									
Admissions, excluding well-baby	18,380	19,641	20,332	19,260	(1,072)	-5%	19,676	416	2.2%
UMC	14,824	16,042	16,374	15,208	(1,166)	-7%	15,410	202	1.3%
El Paso Children's	3,556	3,599	3,958	4,052	94	2%	4,266	214	5.0%
Adjusted Admissions	37,196	39,386	40,643	38,821	(1,822)	-4%	40,005	1,184	3.1%
UMC	30,113	32,204	32,734	30,615	(2,119)	-6%	31,573	958	3.0%
El Paso Children's	7,083	7,182	7,909	8,206	297	4%	8,432	226	2.7%
Discharges	18,363	19,622	20,400	19,286	(1,114)	-5%	19,682	396	2.1%
UMC	14,799	16,034	16,442	15,240	(1,202)	-7%	15,414	174	1.1%
El Paso Children's	3,564	3,588	3,958	4,046	88	2%	4,267	221	5.2%
Adjusted Discharges	37,191	39,340	40,780	38,863	(1,917)	-5%	40,015	1,152	3.0%
UMC	30,063	32,188	32,870	30,680	(2,190)	-7%	31,582	903	2.9%
El Paso Children's	7,128	7,152	7,910	8,184	273	3%	8,433	249	3.0%
Patient Days, excluding well-baby	88,456	95,390	96,088	98,375	2,287	2%	99,545	1,170	1.2%
UMC	67,585	75,149	75,446	76,445	999	1%	77,622	1,177	1.5%
El Paso Children's	20,871	20,241	20,642	21,930	1,288	6%	21,923	(7)	0.0%
Adjusted Patient Days	179,034	191,205	192,085	198,195	6,111	3%	202,328	4,133	2.1%
UMC	137,292	150,861	150,830	153,894	3,064	2%	159,041	5,147	3.2%
El Paso Children's	41,742	40,344	41,254	44,301	3,047	7%	43,287	(1,014)	-2.3%
Observation Days	5,841	124,669	6,274	8,272	1,998	32%	8,358	87	1.0%
UMC	3,708	4,572	4,168	6,504	2,336	56%	6,579	76	1.1%
El Paso Children's	2,133	1,846	2,106	1,768	(338)	-16%	1,779	11	0.6%
Emergency Room Visits- Admitted to Inpatient	14,865	16,564	16,286	17,271	985	6%	17,321	49	0.3%
UMC	12,955	14,516	14,051	14,937	886	6%	14,939	2	0.0%
El Paso Children's	1,910	2,048	2,235	2,334	99	4%	2,382	47	2.0%
Outpatient emergency Against Medical Advice	346	362	317	292	(25)	-8%	304	11	3.9%
UMC	271	295	250	231	(19)	-8%	232	1	0.6%
El Paso Children's	75	67	67	62	(5)	-8%	72	10	14.1%
Left Without Being Seen	1,567	1,139	852	677	(175)	-21%	833	157	23.2%
UMC	1,115	470	421	277	(144)	-34%	279	2	0.8%
El Paso Children's	452	669	431	400	(31)	-7%	554	155	27.9%
Outpatient Visits	63,677	67,058	69,689	71,363	1,674	2%	88,125	16,762	23.5%
UMC	44,114	46,679	47,185	47,384	199	0%	64,016	16,632	26.0%
El Paso Children's	19,563	20,379	22,504	23,979	1,475	7%	24,109	129	0.5%

Historical Income Statement Trend and Financial Projection

Fiscal Year	Days in Period		2019				2020		
	365 2017	366 2018	365 Budget	365 Projection	budget variance	% budget variance	366 Budget	2019 Projection variance	2019 Projection % variance
Trauma Cases									
UMC Trauma	2,989	2,919	2,863	2,774	(89)	-3%	2,831	57	2.0%
UMC Crime Victims	4,476	4,807	4,671	4,887	216	5%	4,986	99	2.0%
UMC Births	3,002	2,816	2,883	2,621	(262)	-9%	2,621	(0)	0.0%
Total Surgical Cases-	11,005	11,270	11,395	11,508	113	1%	12,068	560	4.9%
Inpatient	5,256	5,544	5,592	5,604	12	0%	5,727	124	2.2%
UMC	4,407	4,638	4,742	4,599	(143)	-3%	4,692	93	2.0%
El Paso Children's	849	906	850	1,005	155	18%	1,035	30	2.9%
Outpatient	5,749	5,726	5,803	5,904	101	2%	6,341	437	7.4%
UMC	3,330	3,339	3,203	3,307	104	3%	3,540	232	6.6%
El Paso Children's	2,419	2,387	2,600	2,597	(3)	0%	2,801	204	7.3%
Total Endoscopy Procedures-	8,098	9,674	9,661	9,942	281	3%	10,046	104	1.0%
Inpatient	1,935	2,135	2,107	2,257	150	7%	2,276	19	0.8%
UMC	1,764	1,987	1,959	2,096	137	7%	2,114	19	0.9%
El Paso Children's	171	148	148	161	13	9%	161	0	0.0%
Outpatient	6,163	7,539	7,554	7,685	131	2%	7,770	85	1.1%
UMC	5,318	6,682	6,708	6,708	0	0%	6,770	62	0.9%
El Paso Children's	845	857	846	977	131	15%	1,000	23	2.3%
CMI - all payors									
CMI - Medicare									
Outpatient visits-	803,246	894,502	866,872	951,162	84,290	10%	954,369	3,207	0.3%

Historical Income Statement Trend and Financial Projection

Fiscal Year	Days in Period		2019				2020		
	365 2017	366 2018	Budget	Projection	budget variance	% budget variance	Budget	2019 Projection variance	2019 Projection % variance
UMC	761,097	852,248	824,295	906,327	82,033	10%	909,175	2,848	0.3%
Hospital Ancillary	642,043	711,735	691,912	758,937	67,025	10%	759,859	922	0.1%
10611 Infusion	6,506	7,095	7,047	7,659	612	9%	7,968	309	3.9%
10680 Occupational Health	25,146	37,114	30,091	50,228	20,137	67%	50,227	(1)	0.0%
10681 Dental Clinic	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!
Lab Visits	239,738	254,204	256,979	263,725	6,746	3%	269,001	5,276	2.0%
Pharmacy Visits	239,574	264,869	250,667	287,087	36,420	15%	278,553	(8,533)	-3.1%
Radiology Visits	78,419	92,876	91,486	92,423	937	1%	94,271	1,848	2.0%
Rehabilitative Visits	52,660	55,577	55,642	57,816	2,174	4%	59,839	2,022	3.4%
Primary Care Clinics-	108,203	130,785	132,383	147,390	15,007	11%	149,316	1,926	1.3%
10671 Montwood	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10679 County Clinic	2,702	2,666	2,517	3,395	878	35%	2,981	(414)	-13.9%
10682 Fabens	16,978	18,832	17,463	18,789	1,326	8%	18,750	(39)	-0.2%
10686 Employee	4,025	4,290	5,114	4,311	(803)	-16%	4,300	(11)	-0.3%
10688 Ysleta	33,212	33,939	34,801	34,822	21	0%	35,250	428	1.2%
10825 East	10,905	30,849	34,199	43,169	8,970	26%	43,250	81	0.2%
10826 West	4,975	21,931	22,485	28,324	5,839	26%	28,200	(124)	-0.4%
10870 George Dieter	14,956	13,827	12,355	10,411	(1,944)	-16%	10,931	520	4.8%
10877 Mattox	1,989	1,694	1,750	1,822	72	4%	1,680	(142)	-8.5%
10878 Crossroads	6,791	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10879 Neuro Surgical	1,626	1,711	1,699	2,347	648	38%	2,575	228	8.9%
10883 Delta	2,574	1,046	-	-	0	#DIV/0!	-	0	#DIV/0!
West Mesa/Resler	3,857	-	-	-	0	#DIV/0!	-	0	#DIV/0!
East Montana/J.Battle	3,613	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10xxx UTEP	-	-	-	-	-	-	1,000	1,000	100.0%
10xxx HUDS	-	-	-	-	-	-	399	399	100.0%
Womens & Pre-Natal-	10,851	9,728	0	0	0	#DIV/0!	0	0	#DIV/0!
10684 WHS Annex	4,344	4,978	-	-	0	#DIV/0!	-	0	#DIV/0!
10687 PRENATAL Annex	856	330	-	-	0	#DIV/0!	-	0	#DIV/0!
10698 Far West	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10699 Far East	487	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10772 PRENATAL Crossroads	423	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10773 PRENATAL Murchison	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10774 PRENATAL Fabens	-	367	-	-	0	#DIV/0!	-	0	#DIV/0!
10775 PRENATAL Ysleta	911	289	-	-	0	#DIV/0!	-	0	#DIV/0!
10776 WHS Crossroads	3,055	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10777 WHS Murchison	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10778 WHS Fabens	775	674	-	-	0	#DIV/0!	-	0	#DIV/0!
10779 WHS/PRENATAL Northeast	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!
10693 WHS Ysleta	-	3,090	-	-	0	#DIV/0!	-	0	#DIV/0!
10991 WHS/PRENATAL G.Dieter	-	-	-	-	0	#DIV/0!	-	0	#DIV/0!

Historical Income Statement Trend and Financial Projection

Fiscal Year	Days in Period		2019				2020		
	365 2017	366 2018	365 Budget	365 Projection	budget variance	% budget variance	366 Budget	2019 Projection variance	2019 Projection % variance
El Paso Children's	42,149	42,254	42,577	44,834	2,257	5%	45,194	360	0.8%
El Paso Health Membership-	1,159,383	905,754	1,164,733	1,120,604	(44,129)	-4%	1,147,730	27,126	2.4%
State Program Membership-	909,717	905,754	912,613	872,156	(40,457)	-4%	876,350	4,194	0.5%
STAR	781,312	780,797	785,622	760,944	(24,678)	-3%	745,966	(14,978)	-2.0%
CHIP	123,791	120,235	122,203	106,629	(15,574)	-13%	105,216	(1,413)	-1.3%
CHIP - Perinate	4,614	4,722	4,788	4,583	(205)	-4%	4,668	85	1.8%
Medicare D-SNP							4,500	4,500	100.0%
STAR+PLUS							16,000	16,000	100.0%
Other Program Membership-	249,666		252,120	248,448	(3,672)	-1%	271,380	22,932	9.2%
UMC Health Care Options	170,474	174,698	172,200	167,118	(5,082)	-3%	175,200	8,082	4.6%
UMC Health Plan	67,600	68,170	68,580	69,640	1,060	2%	85,044	15,404	18.1%
UMC Retiree Health program	138	346	660	395	(265)	-40%	456	61	13.4%
UMC Outsourcing			-	-	0	#DIV/0!	-	0	#DIV/0!
EPCH Health program	11,454	10,597	10,680	11,295	615	6%	10,680	(615)	-5.8%
Delivery Supplemental Births	2,478	2,455	2,340	2,562	222	9%	2,520	(42)	-1.7%

TAB 3



El Paso County Hospital District d.b.a. University Medical Center of El Paso
Statement of Operations
FY2020 Budget

	UMC	EPH	FND	EPCH	Elims	District
Change In Net Position	(\$4,590,373)	(\$940,454)	\$1,590,298	\$1,144,300	\$1,525,476	(\$1,270,753)
Operating Revenues	435,126,084	220,271,346	6,487,661	109,238,821	(39,824,609)	731,299,303
Net Patient Revenue	280,473,885	-	-	97,320,797	-	377,794,682
Premium Revenue	-	200,856,743	-	-	-	200,856,743
Medicaid Supplemental Revenue	93,475,066	-	-	8,151,087	-	101,626,153
Cafeteria Revenue	4,076,134	-	-	-	-	4,076,134
Gift Shop Revenue	980,000	-	-	-	-	980,000
NAIP Revenue	-	17,593,094	-	-	-	17,593,094
Other Revenue	13,091,217	1,821,509	-	36,000	(14,116,997)	831,729
Contribution & Inkind Revenue	11,212,326	-	6,487,661	2,430,829	(3,905,373)	16,225,443
Net Contract Revenue	30,051,337	-	-	-	(21,802,239)	8,249,098
Grant Revenue	1,766,119	-	-	1,300,108	-	3,066,227
Operating Expenses	549,870,203	221,646,139	1,915,385	106,294,706	(36,824,609)	842,901,824
Salaries and Wages	194,464,956	-	-	34,321,271	-	228,786,227
Benefits	48,092,989	-	-	5,168,504	(26,100)	53,235,393
Physician Fees	91,175,487	-	-	16,435,600	-	107,611,087
Purchased Services	63,277,460	21,658,612	1,547,829	18,554,292	(25,325,810)	79,712,383
Medical Referrals	5,370,416	-	-	-	-	5,370,416
Utilities	5,048,289	323,216	-	896,075	(755,263)	5,512,317
Professional Services	756,919	-	15,796	634,456	-	1,407,171
Computer Fees	18,907,753	2,148,683	-	-	-	21,056,436
Repairs and Maintenance	5,403,503	179,400	-	85,000	-	5,667,903
Contract Personnel	2,093,578	-	-	969,444	-	3,063,022
Other Purchased Services	25,697,002	19,007,313	1,532,033	15,969,317	(24,570,547)	37,635,118

El Paso County Hospital District d.b.a. University Medical Center of El Paso
Statement of Operations
FY2020 Budget

	UMC	EPH	FND	EPCH	Elims	District
Supplies	111,175,353	323,888	241,659	17,467,922	-	129,208,822
Medical Supplies	58,357,360	-	-	9,666,547	-	68,023,907
Pharmaceutical Supplies	49,794,571	-	-	7,290,256	-	57,084,827
Medical Supplies	4,615,781	323,888	241,659	584,594	-	5,765,922
Purchasing Discounts	(1,592,359)	-	-	(73,475)	-	(1,665,834)
Other Operating Expenses	12,597,537	24,082,457	120,893	13,050,798	(11,472,699)	38,378,986
Fees, Dues, & Periodicals	1,127,676	210,408	94,096	851,385	-	2,283,565
Total Travel	313,633	185,176	17,991	42,900	-	559,700
Education Bank	347,676	184,250	-	52,200	-	584,126
Total Insurance	883,880	93,376	-	761,796	(112,733)	1,626,319
Total Recruitment	453,554	-	-	21,000	-	474,554
Lease & Rent	4,272,801	583,760	6,957	10,514,822	(9,920,422)	5,457,918
Freight & Postage	850,854	317,172	-	145,119	-	1,313,145
Premium Taxes	-	3,905,178	-	-	-	3,905,178
Total Advertising	741,934	999,603	-	458,776	-	2,200,313
Appraisal Fees	1,478,549	-	-	-	-	1,478,549
NAIP Expenses	-	17,593,094	-	-	-	17,593,094
Total Other	2,126,980	10,440	1,849	202,800	(1,439,544)	902,525
Medical Claims	-	173,555,189	-	-	-	173,555,189
Depreciation	29,086,421	2,025,993	5,004	1,296,319	-	32,413,737
Intergovernmental Transfer	-	-	-	-	-	-

El Paso County Hospital District d.b.a. University Medical Center of El Paso
Statement of Operations
FY2020 Budget

	UMC	EPH	FND	EPCH	Elims	District
Non-Operating Activity	110,153,746	434,339	(2,981,978)	(1,799,815)	4,525,476	110,331,768
Tax Revenue	119,357,728	-	-	-	-	119,357,728
Interest Expense	13,872,903	-	-	1,799,815	(2,014,284)	13,658,434
Investment Return	(1,010,649)	(434,339)	(36,977)	-	488,808	(993,157)
Tobacco Settlement	(2,020,056)	-	-	-	-	(2,020,056)
Total Other	(1,848,802)	-	-	-	-	(1,848,802)
Contributions to Others	210,586	-	3,018,955	-	(3,000,000)	229,541

TAB 4



UMC Hospital
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
Change In Net Position	(\$35,449,744)	(\$24,923,386)	(\$13,261,684)	(\$11,893,821)	(\$4,590,373)
Operating Revenues	317,444,958	346,885,430	374,448,398	399,693,711	435,126,084
Net Patient Revenue	194,245,709	228,122,407	239,226,772	262,505,400	280,473,885
Medicaid Supplemental Revenue	76,460,190	73,188,346	84,077,000	83,422,148	93,475,066
Trauma Revenue	1,305,516	(2,592,687)	1,456,188	-	-
Cafeteria Revenue	4,001,108	3,985,443	3,941,423	3,962,425	4,076,134
Gift Shop Revenue	973,276	982,569	965,942	1,014,518	980,000
Other Revenue	10,679,726	11,309,653	12,523,113	10,186,841	13,091,217
Contribution & Inkind Revenue	9,002,564	10,711,784	9,040,125	11,645,829	11,212,326
Net Contract Revenue	19,132,146	19,494,792	21,441,686	25,275,698	30,051,337
Grant Revenue	1,644,723	1,683,123	1,776,149	1,680,852	1,766,119
Operating Expenses	439,552,651	468,376,035	488,107,818	514,171,234	549,870,203
Salaries and Wages	159,062,757	164,320,288	176,299,696	176,547,046	194,464,956
Benefits	38,765,203	31,541,797	37,898,189	52,627,353	48,092,989
Physician Fees	4,477,741	30,509,924	30,935,989	34,430,657	91,175,487
Purchased Services	48,904,118	58,924,150	56,895,710	56,679,409	63,277,460
Medical Referrals	1,081,558	4,564,838	5,571,462	5,250,977	5,370,416
Utilities	5,212,757	5,064,412	5,635,941	4,430,132	5,048,289
Professional Services	593,233	771,152	730,980	839,680	756,919
Computer Fees	14,462,256	14,961,518	17,326,399	15,186,143	18,907,753
Repairs and Maintenance	3,969,146	4,589,532	4,087,122	3,767,864	5,403,503
Contract Personnel	3,521,964	6,194,900	2,561,229	3,849,302	2,093,578
Other Purchased Services	20,063,204	22,777,798	20,982,577	23,355,311	25,697,002

UMC Hospital
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
Supplies	97,292,659	104,152,707	104,695,573	111,851,064	111,175,353
Medical Supplies	51,878,373	54,443,235	52,772,776	58,706,747	58,357,360
Pharmaceutical Supplies	42,242,829	46,633,499	48,322,760	50,074,814	49,794,571
Non-Medical Supplies	5,093,971	4,816,443	5,180,013	4,784,816	4,615,781
Purchasing Discounts	(1,816,068)	(1,677,930)	(1,579,976)	(1,661,425)	(1,592,359)
Inventory Adjustments	(106,446)	(62,540)	-	(53,888)	-
Other Operating Expenses	11,399,059	12,061,553	12,403,779	12,134,392	12,597,537
Fees, Dues, & Periodicals	848,064	1,086,229	1,016,979	1,138,737	1,127,676
Travel	272,482	274,653	310,664	292,640	313,633
Education Bank	405,916	398,454	445,159	316,805	347,676
Insurance	562,443	468,212	811,851	925,284	883,880
Recruitment	408,725	490,315	525,000	544,063	453,554
Lease & Rent	4,622,557	4,596,799	4,317,646	3,835,040	4,272,801
Freight & Postage	795,497	837,806	835,667	859,711	850,854
Advertising	144,936	628,617	658,206	868,843	741,934
Tax Appraisal Fees	1,270,545	1,306,715	1,458,845	1,285,403	1,478,549
Other	2,067,894	1,973,753	2,023,762	2,067,866	2,126,980
Depreciation	26,729,804	25,878,084	26,758,681	25,699,936	29,086,421
Intergovernmental Transfer	52,921,310	40,987,532	42,220,201	44,201,377	-
Non-Operating Activity	86,657,949	96,567,219	100,397,736	102,583,702	110,153,746
Property Tax Revenue	95,526,417	104,590,462	109,472,700	110,353,623	119,357,728
Interest Expense	12,388,165	12,595,733	12,814,454	12,991,304	13,872,903
Investment Return	(494,740)	(952,589)	(1,064,059)	(1,487,064)	(1,010,649)
Tobacco Settlement	(1,824,952)	(1,888,417)	(1,907,304)	(2,027,074)	(2,020,056)
Other	(1,715,096)	(1,918,401)	(1,671,956)	(1,944,013)	(1,848,802)
Contributions To Others	515,091	186,917	903,829	236,768	210,586

TAB 5



El Paso Health
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
Change In Net Position	\$9,408,725	\$1,664,712	\$1,941,008	\$1,451,241	(\$940,454)
Operating Revenues	194,144,468	192,897,018	199,530,235	202,960,248	220,271,346
Premium Revenue	174,421,140	172,877,632	179,669,713	183,194,392	200,856,743
NAIP Revenue	17,811,442	18,305,212	18,140,998	18,048,153	17,593,094
Other Revenue	1,911,886	1,714,174	1,719,524	1,717,703	1,821,509
Operating Expenses	184,970,463	191,484,792	197,785,486	202,150,876	221,646,139
Purchased Services	15,510,866	15,519,341	18,671,059	17,348,160	21,658,612
Utilities	281,033	276,168	309,954	276,223	323,216
Computer Fees	2,051,847	1,763,293	2,213,423	2,015,557	2,148,683
Repairs and Maintenance	246,970	173,497	216,264	198,141	179,400
Contract Personnel	8,649	2,648	-	-	-
Other and Services	12,922,367	13,303,735	15,931,418	14,858,239	19,007,313
Supplies	393,576	114,465	323,535	150,209	323,888
Non-Medical Supplies	393,576	114,465	323,535	150,209	323,888
Other Operating Expenses	22,608,068	22,715,067	23,124,444	22,664,829	24,082,457
Fees, Dues, & Periodicals	161,562	201,809	207,669	207,546	210,408
Travel	88,450	74,736	133,771	93,259	185,176
Education Bank	25,761	14,274	161,839	55,270	184,250
Insurance	83,428	84,776	86,758	85,656	93,376
Lease & Rent	(4,368)	30,162	23,760	27,234	583,760
Freight & Postage	260,313	276,668	336,312	256,588	317,172
Premium Taxes	3,417,048	3,416,057	3,553,737	3,576,320	3,905,178
Advertising	746,759	251,373	429,600	314,803	999,603

El Paso Health
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
NAIP Expenses	17,811,442	18,305,212	18,140,998	18,048,153	17,593,094
Other	17,673	60,000	50,000	-	10,440
Medical Claims	145,867,679	151,913,826	154,349,865	160,826,207	173,555,189
Depreciation	590,274	1,222,093	1,316,583	1,161,471	2,025,993
Non-Operating Activity	234,720	252,486	196,259	641,869	434,339
Investment Return	(233,751)	(251,439)	(196,259)	(641,371)	(434,339)
Other	(969)	(1,047)	-	(498)	-

TAB 6



Foundation
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
Change In Net Position	(\$85,296)	\$993,421	\$2,590,108	\$293,487	\$1,590,298
Operating Revenues	3,066,534	5,131,513	6,714,943	4,574,267	6,487,661
Other Revenue	(148)	(455)	-	573	-
Contribution & Inkind Revenue	3,066,682	5,131,968	6,714,943	4,573,694	6,487,661
Operating Expenses	111,610	92,329	123,475	135,803	120,893
Purchased Services					
Professional Services	14,818	16,501	14,926	12,479	15,796
Computer Fees	-	370	-	-	-
Other Purchased Services	985,872	1,265,484	1,288,280	1,313,104	1,532,033
Supplies	227,806	220,690	286,666	220,864	241,659
Non-Medical Supplies	227,806	220,690	286,666	220,864	241,659
Other Operating Expenses	111,610	92,329	123,475	135,803	120,893
Fees, Dues, & Periodicals	47,127	43,775	97,820	82,811	94,096
Travel	30,140	16,834	9,204	10,328	17,991
Insurance	1,910	1,396	1,800	-	-
Lease & Rent	6,363	6,906	12,045	7,692	6,957
Freight & Postage	513	3,702	2,000	13.00	-
Advertising	16,680	398	-	13,680	-
Other	8,877	19,318	606	21,279	1,849
Depreciation	5,004	5,004	5,004	5,004	5,004
Non-Operating Activity	(1,806,720)	(2,537,714)	(2,406,484)	(2,593,133)	(2,981,978)
Investment Return	-	(9,241)	(19,166)	(33,107)	(36,977)
Contributions to Others	1,806,720	2,546,955	2,425,650	2,626,240	3,018,955

TAB 7



El Paso Children's Hospital
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
Change In Net Position	(\$16,528,755)	(\$10,497,682)	(\$3,998,570)	(\$1,118,829)	\$1,144,300
Operating Revenues	88,988,220	88,690,277	98,264,072	103,942,815	109,238,821
Net Patient Revenue	72,486,289	76,452,463	87,161,000	93,068,851	97,320,797
Medicaid Supplemental Revenue	11,081,478	8,389,811	8,063,000	7,865,559	8,151,087
Other Patient Revenue	1,447,379	3	-	-	-
Other Revenue	-	-	-	42,847	36,000
Contribution & Inkind Revenue	953,536	1,934,328	1,670,501	1,716,794	2,430,829
Grant Revenue	3,019,538	1,913,672	1,369,571	1,248,764	1,300,108
Operating Expenses	103,359,631	97,417,108	100,374,665	103,248,193	106,294,706
Salaries and Wages	32,865,070	30,374,424	31,652,020	33,714,426	34,321,271
Benefits	5,491,964	5,182,380	5,615,000	5,252,862	5,168,504
Physician Fees	16,517,789	17,302,437	16,854,002	15,094,928	16,435,600
Purchased Services	20,494,353	18,675,013	19,033,305	19,131,597	18,554,292
Utilities	878,355	880,438	882,000	818,362	896,075
Professional Services	597,087	815,600	1,212,768	473,801	634,456
Repairs and Maintenance	120,823	49,218	46,001	63,897	85,000
Contract Personnel	5,530,881	3,769,090	2,556,001	2,238,736	969,444
Other Purchased Services	13,367,207	13,160,667	14,336,535	15,536,801	15,969,317
Supplies	14,532,383	12,482,195	13,477,000	16,471,184	17,467,922
Medical Supplies	13,751,255	6,540,479	6,503,044	9,497,396	9,666,547
Pharmaceutical Supplies	-	6,173,874	6,640,000	6,351,447	7,290,256
Non-Medical Supplies	617,362	408,606	452,726	600,996	584,594
Purchasing Discounts	-	(73,475)	-	-	(73,475)
Inventory Adjustments	163,766	(567,289)	(118,770)	21,345	-

El Paso Children's Hospital
Statement of Operations
FY2020 Budget

	Act 2017	Act 2018	2019 Bud	2019 Proj	2020 Bud
Other Operating Expenses	11,960,322	11,770,497	12,166,638	12,296,656	13,050,798
Fees, Dues, & Periodicals	589,401	730,809	549,998	631,956	851,385
Travel	159,168	39,719	48,936	70,411	42,900
Education Bank	51,672	52,781	41,857	76,437	52,200
Insurance	269,379	703,314	856,000	755,299	761,796
Recruitment	124,729	42,520	35,000	30,604	21,000
Lease & Rent	9,857,983	9,742,303	9,873,476	9,961,635	10,514,822
Freight & Postage	104,664	145,611	120,064	128,816	145,119
Advertising	87,191	101,136	109,080	405,014	458,776
Other	716,135	212,304	532,227	236,484	202,800
Depreciation	1,497,750	1,630,162	1,576,700	1,286,540	1,296,319
Non-Operating Activity	(2,157,344)	(1,770,851)	(1,887,977)	(1,813,451)	(1,799,815)
Interest Expense	1,771,798	1,814,991	1,887,977	1,813,451	1,799,815
Investment Return	(16,727)	(49,212)	-	-	-
Other	91,185	5,072	-	-	-

TAB 8





**El Paso County Hospital District
Fiscal 2020 Capital Budget Summary**

FY20 Proposed Capital Budget

Hospital Routine Capital	\$ 10,000,000
El Paso Health	2,150,000
El Paso Children's	950,000
Total FY20 Proposed Capital Budget	<u>\$ 13,100,000</u>