



**Quarterly Financial Disclosure
For the Six-Month Period Ended
February 29, 2024 and February 28, 2023**

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Pursuant to the following Continuing Disclosure Agreements (collectively, the “Disclosure Agreements”) executed and delivered in connection with the related bond issues (collectively, the “Bonds”), Stanford Health Care (the “Corporation”) hereby provides financial and utilization information for the six-month period ended February 29, 2024 and February 28, 2023:

- Continuing Disclosure Agreement dated June 15, 2011, relating to the reoffering of \$84,100,000 California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics) 2008 Series B-2;
- Continuing Disclosure Agreement dated June 30, 2015, relating to the original issue of \$100,000,000 California Health Facilities Financing Authority Revenue Bonds (Stanford Health Care) 2015 Series A;
- Continuing Disclosure Agreement dated December 28, 2017, relating to the original issue of \$454,200,000 California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Health Care), 2017 Series A;
- Continuing Disclosure Agreement dated April 1, 2020, relating to the original issue of \$170,120,000 California Health Facilities Financing Authority Revenue Bonds (Stanford Health Care), 2020 Series A;
- Continuing Disclosure Agreement dated April 30, 2021, relating to the issuance of \$157,715,000 California Health Facilities Financing Authority Revenue Bonds (Stanford Health Care), 2021 Series A;
- Continuing Disclosure Agreement dated September 27, 2023, relating to the issuance of \$260,545,000 California Health Facilities Financing Authority Revenue Bonds (Stanford Health Care), 2023 Series A.



The Bonds are identified together with their corresponding CUSIPs in Appendix A of this quarterly disclosure report. Additionally, the Treasury department of the Corporation maintains a world-wide web site to which it makes certain disclosure documents available to the general public at <https://stanfordhealthcare.org/about-us/bondholder-general-financial-information.html>.

This quarterly disclosure was prepared by management from records maintained by the Corporation and has not been compiled, reviewed, or audited by external auditors.

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Stanford Health Care
Consolidated Balance Sheet - Unaudited
As of February 29, 2024 and February 28, 2023
(In Thousands)

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 411,636	\$ 344,742
Short term investments	131,368	72,327
Patient accounts receivables, net	1,115,838	1,084,381
Other receivables	192,976	112,871
Inventories	113,278	110,940
Prepaid expenses and other	84,063	150,034
Due from Lucile Salter Packard Children's Hospital at Stanford	26,898	17,289
Total current assets	2,076,057	1,892,584
Investments	2,342,028	1,912,081
Investments at equity	259,995	199,332
Investments in University managed pools	2,887,083	2,498,496
Assets limited as to use for capital projects & other long term purposes	36,647	32,769
Property and equipment, net	4,004,969	3,784,611
Right of use lease assets	357,890	340,242
Due from Stanford University - housing loans	193,950	163,744
Other assets	87,479	37,847
Total assets	\$ 12,246,098	\$ 10,861,705
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 636,405	\$ 710,495
Accrued salaries and related benefits	455,852	414,909
Due to Stanford University	104,026	82,183
Third-party payor settlements	79,061	43,535
Current portion of long-term debt	17,615	20,905
Debt subject to remarketing arrangements	168,200	168,200
Operating lease liabilities, current	71,431	71,354
Self-insurance reserves and other	96,534	102,494
Total current liabilities	1,629,124	1,614,075
Self-insurance reserves and other, net of current portion	271,063	224,737
Swap liabilities	64,609	100,082
Operating lease liabilities, non-current	300,579	280,520
Other long-term liabilities	141,986	141,064
Long-term debt, net of current portion	2,363,474	2,092,740
Total liabilities	4,770,835	4,453,218
Net assets:		
Without donor restrictions:		
Attributable to Stanford Health Care	7,291,696	6,232,141
Noncontrolling interests	43,426	40,958
Total without donor restrictions	7,335,122	6,273,099
With donor restrictions	140,141	135,388
Total net assets	7,475,263	6,408,487
Total liabilities and net assets	\$ 12,246,098	\$ 10,861,705

All information is preliminary and subject to change.

Stanford Health Care
Consolidated Statement of Operations and
Changes in Net Assets – Unaudited
For the Six-Month Period Ended February 29, 2024 and February 28, 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
Operating revenues and other support:		
Net patient service revenue	\$ 4,290,788	\$ 3,636,378
Premium revenue	30,864	31,856
Grants - COVID-19 and FEMA	865	-
Other revenue	95,262	102,426
Net assets released from restrictions used for operations	2,843	3,767
Total operating revenues and other support	<u>4,420,622</u>	<u>3,774,427</u>
Operating expenses:		
Salaries and benefits	1,902,564	1,715,108
Professional services	16,718	28,571
Supplies	634,495	555,572
Purchased services	973,513	834,596
Depreciation and amortization	138,356	131,259
Interest	39,617	37,076
Other	340,680	258,153
Expense recoveries from related parties	-	(383)
Total operating expenses	<u>4,045,943</u>	<u>3,559,952</u>
Income from operations	374,679	214,475
Interest and investment income	46,256	24,037
(Losses) earnings on equity method investments	(4,544)	13,313
Change in value of University managed pools and other	229,010	24,498
Swap interest and change in value of swap agreements	10,476	42,222
Other components of net periodic benefit costs	(3,761)	(2,985)
Pension termination	(51,688)	-
Loss on extinguishment of swap	(7,732)	-
Excess of revenues over expenses	<u>592,696</u>	<u>315,560</u>
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(23,341)	(21,350)
Transfers from Lucile Salter Packard Children's Hospital	-	1,783
Change in net unrealized loss on investments	11,144	2,804
Net assets released from restrictions used for:		
Purchase of property and equipment	1,715	1,542
Change in pension and postretirement liability	55,012	-
Noncontrolling capital distribution	(1,010)	-
Increase in net assets without donor restrictions	<u>636,216</u>	<u>300,339</u>
Changes in net assets with donor restrictions:		
Transfers to (from) Stanford University	305	(86)
Contributions and other	5,176	(5,095)
Investment income	811	708
Gains on University managed pools	478	72
Net assets released from restrictions used for:		
Operations	(2,843)	(3,767)
Purchase of property and equipment	(1,715)	(1,542)
Increase (decrease) in net assets with donor restrictions	<u>2,212</u>	<u>(9,710)</u>
Increase in net assets	638,428	290,629
Net assets, beginning of year	6,836,835	6,117,858
Net assets, end of year	<u>\$ 7,475,263</u>	<u>\$ 6,408,487</u>

All information is preliminary and subject to change.

Stanford Health Care
Consolidated Statement of Cash Flows – Unaudited
For the Six-Month Period Ended February 29, 2024 and February 28, 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in Stanford Health Care net assets	\$ 635,156	\$ 288,328
Change in noncontrolling interests	3,272	2,301
Total change in net assets	638,428	290,629
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on extinguishment of swaps	7,732	-
Depreciation and amortization	134,233	127,402
Change in fair value of interest rate swaps	(10,825)	(45,824)
(Increase) decrease in value of University managed pools	(99,236)	28
Unrealized gains on investments	(141,235)	(27,302)
Excess of income on equity method investees over distributions received	(4,840)	(11,909)
Contributions received for long lived assets or endowment	(9,628)	(1,195)
Net equity transfers to related parties	23,036	19,653
Premiums received from bond issuance	39,460	-
Changes in operating assets and liabilities:		
Patient accounts receivable	(73,052)	(60,813)
Due to related parties	(104,991)	(83,720)
Other receivables, inventory, other assets, prepaid expenses and other	(34,994)	(22,504)
Accounts payable, accrued liabilities and pension liabilities	4,466	97,263
Accrued salaries and related benefits	(11,730)	(67,164)
Third-party payor settlements	9,937	(19,789)
Self-insurance reserves	18,565	10,376
Cash provided by operating activities	<u>385,326</u>	<u>205,131</u>
Cash flows from investing activities:		
Purchases of investments	(582,457)	(98,049)
Sales of investments	312,098	34,335
Purchases of investments at equity	(20,000)	(26,016)
Purchases of investments in University managed pools	(200,408)	(229)
Sales of investments in University managed pools	376	1,338
Funding of Stanford University - housing loans	(13,626)	(16,642)
Repayments received on Stanford University - housing Loans	2,529	2,525
Swap settlement payments, net	(298)	(3,882)
Purchases of property and equipment	(280,005)	(192,912)
Cash used in investing activities	<u>(781,791)</u>	<u>(299,532)</u>
Cash flows from financing activities:		
Proceeds from issuance of debt	260,545	-
Costs of issuance of debt	(2,251)	-
Payment of long-term debt and finance lease obligations	(13,475)	(9,648)
Contributions received for long lived assets or endowment	7,329	2,398
Net equity transfers to related parties	(55,639)	(90,410)
Cash provided (used) in financing activities	<u>196,509</u>	<u>(97,660)</u>
Net (decrease) increase in cash and cash equivalents	(199,956)	(192,061)
Cash and cash equivalents, beginning of year	611,592	536,803
Cash and cash equivalents, end of year	<u>\$ 411,636</u>	<u>\$ 344,742</u>
	-	-
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 43,741	\$ 41,001
Supplemental disclosures of non cash information:		
Decrease in payables for property and equipment	\$ (12,010)	\$ (2,266)
Equity transfers from related parties, net	4,062	172

All information is preliminary and subject to change.

**Stanford Health Care
Historical Utilization Statistics
For the Six-Month Period Ended
February 29, 2024 and February 28, 2023**

		Six Months Ended	
		February,	
		<u>2024</u>	<u>2023</u>
Discharges			
Acute		17,088	16,231
Behavioral Health		294	296
Total		<u>17,382</u>	<u>16,527</u>
 Patient Days			
Acute		119,420	115,190
Behavioral Health		4,851	4,948
subtotal		<u>124,271</u>	<u>120,138</u>
Short Stay OP		8,320	7,165
Total		<u>132,591</u>	<u>127,303</u>
 Average Daily Census			
Acute		656.2	636.4
Behavioral Health		26.7	27.3
Total		<u>682.8</u>	<u>663.7</u>
 Average Length of Stay			
Acute		6.99	7.10
Behavioral Health		16.50	16.72
Total		<u>7.15</u>	<u>7.27</u>
 Case Mix Index			
		2.63	2.69
Emergency room visits*		55,906	53,015
Short Stay OP procedures		28,025	26,504
Other Outpatient visits		579,772	595,700
 Surgeries			
Inpatient		6,614	6,367
Outpatient		16,240	14,942
Total		<u>22,854</u>	<u>21,309</u>

Source: Corporation records

* ER visits include patients who got admitted as inpatients.

All information is preliminary and subject to change.

APPENDIX A

Bond Issues and Related CUSIP Numbers

California Health Facilities Financing Authority
Refunding Revenue Bonds
(Stanford Hospital and Clinics)
2008 Series B-2-1

<u>Bond CUSIP</u>	<u>CP CUSIP</u>	<u>Maturity Date</u>	<u>Current Commercial Paper Interest Rate (%)</u>	<u>Original Principal Amount</u>
13033LNX1	13034EAA0	11/15/2045	3.15	\$ 42,050,000

**California Health Facilities Financing Authority
Refunding Revenue Bonds
(Stanford Hospital and Clinics)
2008 Series B-2-2**

<u>Bond CUSIP</u>	<u>CP CUSIP</u>	<u>Maturity Date</u>	<u>Current Commercial Paper Interest Rate (%)</u>	<u>Original Principal Amount</u>
13033LNY9	13034FAA7	11/15/2045	3.4	\$ 42,050,000

**California Health Facilities Financing Authority
Revenue Bonds
(Stanford Health Care)
2015 Series A**

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13033L8Q3	08/15/2052	4.25	\$ 25,000,000
13033L8P5	08/15/2054	5.00	\$ 75,000,000

**California Health Facilities Financing Authority
Refunding Revenue Bonds
(Stanford Health Care)
2017 Series A**

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13032UQB7	11/15/2024	5.00	\$17,615,000
13032UQC5	11/15/2025	5.00	\$18,480,000
13032UQD3	11/15/2026	5.00	\$19,320,000
13032UQE1	11/15/2027	5.00	\$20,260,000
13032UQF8	11/15/2028	5.00	\$21,225,000
13032UQG6	11/15/2029	5.00	\$22,270,000
13032UQH4	11/15/2030	5.00	\$23,340,000
13032UQJ0	11/15/2031	5.00	\$24,465,000
13032UQK7	11/15/2032	5.00	\$25,695,000
13032UQL5	11/15/2033	5.00	\$26,805,000
13032UQM3	11/15/2034	5.00	\$23,390,000
13032UQN1	11/15/2035	5.00	\$19,310,000
13032UQP6	11/15/2036	5.00	\$26,160,000
13032UQQ4	11/15/2037	5.00	\$30,225,000
13032UQR2	11/15/2040	4.00	\$105,405,000

**California Health Facilities Financing Authority
Revenue Bonds
(Stanford Health Care)
2020 Series A**

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13032UVN5	08/15/2050	4.00	\$ 170,120,000

**California Health Facilities Financing Authority
Revenue Bonds
(Stanford Health Care)
2021 Series A**

CUSIP	Maturity Date	Mandatory Tender Date	Interest Rate (%)	Original Principal Amount
13032UYT9	08/15/2054	8/15/2025	3.00	\$ 157,715,000

**California Health Facilities Financing Authority
Revenue Bonds
(Stanford Health Care)
2023 Series A**

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13032UH68	08/15/2033	5.00	\$ 260,545,000