



Stanford MEDICINE

Health Care

Quarterly Financial Disclosure For the Nine-Month Period Ended May 31, 2024 and 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 nine-month period ended May 31, 2024 and 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.



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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.

For further information, please contact:

Treasury Services
Stanford Health Care
300 Pasteur Drive, MC 5554
Stanford, CA 94305
Email: dl-treasury@stanfordhealthcare.org

Stanford Health Care
Consolidated Balance Sheet - Unaudited
As of May 31, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 576,502	\$ 462,747
Short term investments	131,972	73,227
Patient accounts receivables, net	1,089,555	1,088,488
Other receivables	161,301	71,755
Inventories	107,935	106,629
Prepaid expenses and other	84,089	99,933
Due from related parties	-	-
Due from Stanford University	-	-
Due from Lucile Salter Packard Children's Hospital at Stanford	28,504	13,960
Total current assets	<u>2,179,858</u>	<u>1,916,739</u>
Investments	2,431,163	1,948,993
Investments at equity	240,177	204,856
Investments in University managed pools	2,980,143	2,517,481
Assets limited as to use for capital projects & other long term purposes	36,002	33,222
Property and equipment, net	4,007,932	3,838,934
Right of use lease assets	349,822	326,152
Due from Stanford University - housing loans	206,132	170,423
Other assets	94,783	38,294
Total assets	<u>\$ 12,526,012</u>	<u>\$ 10,995,093</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 685,897	\$ 637,995
Accrued salaries and related benefits	421,234	432,941
Due to Stanford University	123,245	83,801
Third-party payor settlements	84,295	55,233
Current portion of long-term debt	17,615	20,905
Debt subject to remarketing arrangements	168,200	168,200
Operating lease liabilities, current	71,116	69,236
Self-insurance reserves and other	94,413	102,260
Total current liabilities	<u>1,666,015</u>	<u>1,570,571</u>
Self-insurance reserves and other, net of current portion	272,547	233,373
Swap liabilities	56,133	108,055
Operating lease liabilities, non-current	293,237	268,099
Other long-term liabilities	143,709	141,916
Long-term debt, net of current portion	2,360,592	2,090,779
Total liabilities	<u>4,792,233</u>	<u>4,412,793</u>
Net assets:		
Without donor restrictions:		
Attributable to Stanford Health Care	7,548,660	6,406,048
Noncontrolling interests	47,910	42,450
Total without donor restrictions	<u>7,596,570</u>	<u>6,448,498</u>
With donor restrictions	137,209	133,802
Total net assets	<u>7,733,779</u>	<u>6,582,300</u>
Total liabilities and net assets	<u>\$ 12,526,012</u>	<u>\$ 10,995,093</u>

All information is preliminary and subject to change.

Stanford Health Care
Consolidated Statement of Operations and
Changes in Net Assets – Unaudited
For the Nine-Month Period Ended May 31, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
Operating revenues and other support:		
Net patient service revenue	\$ 6,504,054	\$ 5,636,584
Premium revenue	45,175	47,932
Grants - COVID-19 and FEMA	303	2
Other revenue	147,481	157,102
Net assets released from restrictions used for operations	4,533	6,953
Total operating revenues and other support	<u>6,701,546</u>	<u>5,848,573</u>
Operating expenses:		
Salaries and benefits	2,909,968	2,645,930
Professional services	56,491	37,800
Supplies	985,499	861,282
Purchased services	1,489,565	1,282,445
Depreciation and amortization	208,432	195,125
Interest	59,845	55,715
Other	493,902	418,726
Expense recoveries from related parties	-	(322)
Total operating expenses	<u>6,203,702</u>	<u>5,496,701</u>
Income from operations	497,844	351,872
Interest and investment income	101,883	37,092
(Losses) earnings on equity method investments	(31,907)	13,526
Change in value of University managed pools and other	338,137	75,634
Swap interest and change in value of swap agreements	18,675	33,599
Other components of net periodic benefit costs	(5,216)	(4,477)
Pension termination	(51,688)	-
Loss on extinguishment of swap	(7,732)	-
340B settlement	-	-
Excess of revenues over expenses	<u>859,996</u>	<u>507,246</u>
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(34,957)	(41,604)
Transfers from Lucile Salter Packard Children's Hospital	-	1,783
Change in net unrealized gain on investments	12,759	7,325
Net assets released from restrictions used for:		
Purchase of property and equipment	5,864	1,917
Change in pension and postretirement liability	55,012	-
Noncontrolling capital distribution	(1,010)	(929)
Increase in net assets without donor restrictions	<u>897,664</u>	<u>475,738</u>
Changes in net assets with donor restrictions:		
Transfers to (from) Stanford University	423	(55)
Contributions and other	6,375	(3,360)
Investment income	1,236	1,038
Gains on University managed pools	1,643	(49)
Net assets released from restrictions used for:		
Operations	(4,533)	(6,953)
Purchase of property and equipment	(5,864)	(1,917)
Decrease in net assets with donor restrictions	<u>(720)</u>	<u>(11,296)</u>
Increase in net assets	896,944	464,442
Net assets, beginning of year	6,836,835	6,117,858
Net assets, end of year	<u>\$ 7,733,779</u>	<u>\$ 6,582,300</u>

All information is preliminary and subject to change.

Stanford Health Care
Consolidated Statement of Cash Flows – Unaudited
For the Nine-Month Period Ended May 31, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in Stanford Health Care net assets	\$ 889,188	\$ 460,649
Change in noncontrolling interests	7,756	3,793
Total change in net assets	896,944	464,442
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on extinguishment of debt	7,732	-
Depreciation and amortization	202,099	191,769
Change in fair value of interest rate swaps	(19,301)	(37,851)
Increase in value of University managed pools	(191,912)	(14,544)
Unrealized gains on investments	(160,119)	(68,019)
Deficit (excess) of income on equity method investees over distributions received	29,503	(16,712)
Contributions received for long lived assets or endowment	(10,328)	(10,170)
Net equity transfers to related parties	34,534	39,876
Premiums received from bond issuance	39,460	-
Changes in operating assets and liabilities:		
Patient accounts receivable	(46,769)	(64,920)
Due to related parties	(90,332)	(67,546)
Other receivables, inventory, other assets, prepaid expenses and other	(34,751)	76,364
Accounts payable, accrued liabilities and pension liabilities	80,855	24,836
Accrued salaries and related benefits	(46,348)	(49,132)
Third-party payor settlements	15,171	(8,091)
Self-insurance reserves	20,133	18,778
Cash provided by operating activities	<u>726,571</u>	<u>479,080</u>
Cash flows from investing activities:		
Purchases of investments	(760,424)	(132,078)
Sales of investments	448,886	62,172
Purchases of investments at equity	(35,000)	(26,016)
Purchases of investments in University managed pools	(200,876)	(585)
Sales of investments in University managed pools	1,278	1,338
Funding of Stanford University - housing loans	(28,716)	(27,928)
Repayments received on Stanford University - housing Loans	4,877	4,435
Swap settlement payments, net	(576)	(4,781)
Purchases of property and equipment	(380,618)	(312,484)
Cash used in investing activities	<u>(951,169)</u>	<u>(435,927)</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	11,629	2,420
Net equity transfers to related parties	(66,940)	(109,981)
Cash provided (used) in financing activities	<u>189,508</u>	<u>(117,209)</u>
Net (decrease) increase in cash and cash equivalents	(35,090)	(74,056)
Cash and cash equivalents, beginning of year	611,592	536,803
Cash and cash equivalents, end of year	<u>\$ 576,502</u>	<u>\$ 462,747</u>
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 64,424	\$ 62,045
Supplemental disclosures of non cash information:		
Increase in payables for property and equipment	\$ (39,401)	\$ (3,526)
Equity transfers from related parties, net	52	9,540

All information is preliminary and subject to change.

**Stanford Health Care
Historical Utilization Statistics
For the Nine-Month Period Ended
May 31, 2024 and 2023**

	Nine-Month Period Ended	
	May,	
	<u>2024</u>	<u>2023</u>
Discharges		
Acute	26,188	24,659
Behavioral Health	441	425
Total	<u>26,629</u>	<u>25,084</u>
 Patient Days		
Acute	182,207	174,321
Behavioral Health	7,419	7,468
subtotal	<u>189,626</u>	<u>181,789</u>
Short Stay OP	12,728	11,176
Total	<u>202,354</u>	<u>192,965</u>
 Average Daily Census		
Acute	665.0	638.5
Behavioral Health	27.1	27.4
Total	<u>692.1</u>	<u>665.9</u>
 Average Length of Stay		
Acute	6.96	7.07
Behavioral Health	16.82	17.57
Total	<u>7.12</u>	<u>7.25</u>
 Case Mix Index	2.65	2.71
Emergency room visits*	85,385	80,754
Short Stay OP procedures	44,630	41,148
Other Outpatient visits	880,623	902,002
 Surgeries		
Inpatient	9,968	9,730
Outpatient	24,965	23,214
Total	<u>34,933</u>	<u>32,944</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>CUSIP</u>	<u>CP CUSIP</u>	<u>Maturity Date</u>	<u>Current Commercial Paper Interest Rate (%)</u>	<u>Original Principal Amount</u>
13033LNX1	13034EAB8	11/15/2045	3.7	\$ 42,050,000

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

<u>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