



Stanford

HEALTH CARE

STANFORD MEDICINE

Quarterly Financial Disclosure For the Six Month Periods Ended February 28, 2021 and February 29, 2020

INDEX	Page
Overview of Disclosure	2
Consolidated Financial Statements:	
Consolidated Balance Sheet as of February 28, 2021 and February 29, 2020	3
Consolidated Statement of Operations and Changes in Net Assets For the Six Month Periods Ended February 28, 2021 and February 29, 2020	4
Consolidated Statement of Cash Flows For the Six Month Periods Ended February 28, 2021 and February 29, 2020	5
Historical Utilization Statistics For the Six Month Periods Ended February 28, 2021 and February 29, 2020	6
APPENDIX A – Bond Issues and Related CUSIP Numbers	A-1



Stanford HEALTH CARE

STANFORD MEDICINE

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 periods ended February 28, 2021 and February 29, 2020:

- Continuing Disclosure Agreement dated June 15, 2011, relating to the reoffering of \$272,365,000 California Health Facilities Financing Authority Refunding Revenue Bonds (Stanford Hospital and Clinics) 2008 Series A-2, A-3 and B-2;
- Continuing Disclosure Agreement dated May 23, 2012, relating to the original issue of \$408,320,000 California Health Facilities Financing Authority Revenue Bonds (Stanford Hospital and Clinics) 2012 Series A and B; and
- 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.

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

All information is preliminary and subject to change.

Stanford Health Care
Consolidated Balance Sheet - Unaudited
As of February 28, 2021, and February 29, 2020
(In Thousands)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,104,525	\$ 349,427
Assets limited as to use, held by trustee	86	11
Short term investments	74,972	403,419
Patient accounts receivables, net	732,748	756,525
Other receivables	118,774	125,130
Inventories	126,116	72,967
Prepaid expenses and other	122,290	97,817
Due from related parties	28,331	14,767
Total current assets	2,307,842	1,820,063
Investments	1,473,990	651,668
Investments at equity	146,459	108,557
Investments in University managed pools	2,049,961	1,533,465
Property and equipment, net	3,620,487	3,675,791
Right of use lease assets	342,179	304,921
Other assets	75,361	71,462
Total assets	\$10,016,279	\$ 8,165,927
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,333,976	\$ 539,192
Accrued salaries and related benefits	341,841	245,284
Third-party payor settlements	72,318	30,488
Current portion of long-term debt	114,760	116,210
Debt subject to remarketing arrangements	168,200	228,200
Operating lease liabilities, current	79,142	70,636
Self-insurance reserves and other	64,953	57,380
Total current liabilities	2,175,190	1,287,390
Self-insurance reserves and other, net of current portion	232,428	187,040
Swap liabilities	266,393	341,383
Operating lease liabilities, non-current	283,563	257,129
Other long-term liabilities	164,826	126,968
Pension liability	8,255	17,067
Long-term debt, net of current portion	2,043,652	1,581,222
Total liabilities	5,174,307	3,798,199
Net assets:		
Without donor restrictions:		
Stanford Health Care	4,664,131	4,213,765
Noncontrolling interests	27,537	20,905
Total without donor restrictions	4,691,668	4,234,670
With donor restrictions	150,304	133,058
Total net assets	4,841,972	4,367,728
Total liabilities and net assets	\$10,016,279	\$ 8,165,927

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 28, 2021 and February 29, 2020
(In Thousands)

	<u>2021</u>	<u>2020</u>
Operating revenues and other support:		
Net patient service revenue	\$ 2,853,411	\$ 2,700,541
Premium revenue	58,771	57,061
Grants - COVID-19	9,736	-
Other revenue	85,372	78,733
Net assets released from restrictions used for operations	2,940	3,660
Total operating revenues and other support	<u>3,010,230</u>	<u>2,839,995</u>
Operating expenses:		
Salaries and benefits	1,356,155	1,262,920
Professional services	18,967	16,981
Supplies	449,304	402,912
Purchased services	720,200	731,616
Depreciation and amortization	132,315	125,699
Interest	37,889	29,644
Other	216,312	232,246
Expense recoveries from related parties	<u>(26,637)</u>	<u>(69,252)</u>
Total operating expenses	<u>2,904,505</u>	<u>2,732,766</u>
Income from operations	105,725	107,229
Interest and investment income	22,211	24,624
Earnings on equity method investments	31,137	11,186
Change in value of University managed pools and other	272,723	49,240
Swap interest and change in value of swap agreements	76,259	(31,905)
Other components of net periodic benefit costs	<u>(980)</u>	<u>-</u>
Excess of revenues over expenses	507,075	160,374
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(18,446)	(20,655)
Transfers from Lucile Salter Packard Children's Hospital	99	-
Change in net unrealized gain on investments	(1,170)	16
Net assets released from restrictions used for:		
Purchase of property and equipment	-	253
Purchase of property and equipment - New Stanford Hospital	10,205	551,207
Noncontrolling capital distribution	<u>-</u>	<u>(2,400)</u>
Increase in net assets without donor restrictions	<u>497,763</u>	<u>688,795</u>
Changes in net assets with donor restrictions:		
Transfers from Stanford University	651	111
Contributions and other	24,841	10,151
Investment income	421	337
Gains on University managed pools	3,993	806
Net assets released from restrictions used for:		
Operations	(2,940)	(3,660)
Purchase of property and equipment	-	(253)
Purchase of property and equipment - New Stanford Hospital	<u>(10,205)</u>	<u>(551,207)</u>
Increase (Decrease) in net assets with donor restrictions	<u>16,761</u>	<u>(543,715)</u>
Increase in net assets	514,524	145,080
Net assets, beginning of year	<u>4,327,448</u>	<u>4,222,648</u>
Net assets, end of year	<u>\$ 4,841,972</u>	<u>\$ 4,367,728</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 28, 2021 and February 29, 2020
(In Thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in Stanford Health Care net assets	\$ 511,433	\$ 151,086
Change in noncontrolling interests	3,091	(6,006)
Total change in net assets	514,524	145,080
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	129,105	124,893
Change in fair value of interest rate swaps	(86,899)	24,587
Increase in value of University managed pools	(272,723)	(49,240)
Unrealized gains on investments	(2,815)	(772)
Excess of income on equity method investees over distributions received	(30,900)	(11,937)
Contributions received for long lived assets or endowment	(19,762)	(20,642)
Net equity transfers to/from related parties	17,696	20,544
Changes in operating assets and liabilities:		
Patient accounts receivable	(78,406)	(71,100)
Due to related parties	(67,427)	(70,315)
Other receivables, inventory, other assets, prepaid expenses and other	14,530	(45,225)
Accounts payable, accrued liabilities and pension liabilities	431,755	56,110
Accrued salaries and related benefits	54,430	(29,815)
Third-party payor settlements	17,206	570
Self-insurance reserves	14,337	10,956
Cash provided by operating activities	<u>634,651</u>	<u>83,694</u>
Cash flows from investing activities:		
Purchases of investments	(841,024)	(20,173)
Sales of investments	17,819	26,429
Purchases of investments in University managed pools	(200,547)	(5,369)
Sales of investments in University managed pools	206	456
Swap settlement payments, net	(10,470)	5,906
Purchases of property and equipment	(119,019)	(191,516)
Cash used in investing activities	<u>(1,153,035)</u>	<u>(184,267)</u>
Cash flows from financing activities:		
Costs of issuance of debt	(80)	(122)
Payment of long-term debt and finance lease obligations	(9,241)	(7,310)
Contributions received for long lived assets or endowment	9,722	16,083
Net equity transfers to/from related parties	(20,410)	(64,160)
Cash used in financing activities	<u>(20,009)</u>	<u>(55,509)</u>
Net decrease in cash and cash equivalents	(538,393)	(156,082)
Cash and cash equivalents, beginning of year	1,643,004	505,509
Cash and cash equivalents, end of year	<u>\$ 1,104,611</u>	<u>\$ 349,427</u>
Supplemental data:		
Cash and cash equivalents as shown on the consolidated balance sheets	\$ 1,104,525	\$ -
Restricted cash included in assets limited as to use, held by trustee	86	-
Total cash and cash equivalents as shown on the statement of cash flows	<u>\$ 1,104,611</u>	<u>\$ -</u>
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 41,081	\$ 28,909
Supplemental disclosures of non cash information:		
Decrease in payables for property and equipment	\$ (12,827)	\$ (81,058)
Equity transfers to related parties, net	10,133	6,319

All information is preliminary and subject to change.

**Stanford Health Care
Historical Utilization Statistics
For the Six Month Periods Ended
February 28, 2021 and February 29, 2020**

	Six Months Ended	
	February,	
	<u>2021</u>	<u>2020</u>
Discharges		
Acute	13,448	13,687
Behavioral Health	247	447
Total	<u>13,695</u>	<u>14,134</u>
 Patient Days		
Acute	87,232	79,413
Behavioral Health	3,406	4,346
subtotal	<u>90,638</u>	<u>83,759</u>
Short Stay OP	6,582	7,558
Total	<u>97,220</u>	<u>91,317</u>
 Average Daily Census		
Acute	481.9	436.3
Behavioral Health	18.8	23.9
Total	<u>500.8</u>	<u>460.2</u>
 Average Length of Stay		
Acute	6.49	5.80
Behavioral Health	13.79	9.72
Total	<u>6.62</u>	<u>5.93</u>
 Case Mix Index	2.79	2.47
Emergency room visits*	45,597	41,433
Short Stay OP procedures	22,357	23,624
Other Outpatient visits	670,717	467,846
 Surgeries		
Inpatient	5,981	6,801
Outpatient	12,229	12,533
Total	<u>18,210</u>	<u>19,334</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 A-2**

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13033LNF0	11/15/2021	5.00	\$ 450,000

**California Health Facilities Financing Authority
Refunding Revenue Bonds
(Stanford Hospital and Clinics)
2008 Series A-3**

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13033LNT0	11/15/2021	4.00	\$ 375,000

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

CUSIP	Maturity Date	Current Commercial Paper Interest Rate (%)	Original Principal Amount
13033LNX1	11/15/2045	0.12	\$ 42,050,000

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

CUSIP	Maturity Date	Current Commercial Paper Interest Rate (%)	Original Principal Amount
13033LNY9	11/15/2045	0.24	\$ 42,050,000

California Health Facilities Financing Authority
Revenue Bonds
(Stanford Hospital and Clinics)
2012 Series A

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13033LYQ4	08/15/2032	5.00	\$ 1,960,000
13033LYR2	08/15/2042	5.00	\$ 43,380,000
13033LZS0	08/15/2051	5.00	\$ 294,660,000

California Health Facilities Financing Authority
Revenue Bonds
(Stanford Hospital and Clinics)
2012 Series B

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
13033LZB6	08/15/2021	4.00	\$ 6,810,000
13033LZC4	08/15/2022	4.00	\$ 875,000
13033LZJ9	08/15/2022	5.00	\$ 6,680,000
13033LZD2	08/15/2023	5.00	\$ 7,430,000

**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
13032UPY8	11/15/2021	5.00	\$7,125,000
13032UPZ5	11/15/2022	5.00	\$9,635,000
13032UQA9	11/15/2023	5.00	\$13,475,000
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