



**Quarterly Financial Disclosure  
For the Three-Month Period Ended  
November 30, 2022 and 2021**

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# Stanford

## HEALTH CARE

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### 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 three-month period ended November 30, 2022 and 2021:

- 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 May 23, 2012, relating to the original issue of \$68,320,000 California Health Facilities Financing Authority Revenue Bonds (Stanford Hospital and Clinics) 2012 Series B;
- 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.



# Stanford

## HEALTH CARE

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### STANFORD MEDICINE

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](mailto:dl-treasury@stanfordhealthcare.org)

**Stanford Health Care**  
**Consolidated Balance Sheet - Unaudited**  
**As of November 30, 2022 and 2021**  
**(In Thousands)**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 239,760	\$ 461,562
Short term investments	71,853	74,426
Patient accounts receivables, net	1,240,980	874,046
Other receivables	133,417	131,533
Inventories	106,761	108,502
Prepaid expenses and other	130,134	132,024
Due from related parties	15,676	-
Total current assets	<u>1,938,581</u>	<u>1,782,093</u>
Investments	1,919,131	2,037,425
Investments at equity	179,010	148,218
Investments in University managed pools	2,479,627	2,577,914
Property and equipment, net	3,757,529	3,616,834
Right of use lease assets	231,672	269,343
Other assets	52,767	61,321
Total assets	<u>\$10,558,317</u>	<u>\$10,493,148</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 678,990	\$ 642,403
Accrued salaries and related benefits	433,296	405,116
Due to related parties	-	12,653
Third-party payor settlements	63,917	55,108
Current portion of long-term debt	20,905	17,190
Debt subject to remarketing arrangements	168,200	168,200
Operating lease liabilities, current	69,403	76,442
Self-insurance reserves and other	99,923	76,816
Total current liabilities	<u>1,534,634</u>	<u>1,453,928</u>
Self-insurance reserves and other, net of current portion	221,478	226,790
Swap liabilities	112,027	272,855
Operating lease liabilities, non-current	174,563	210,987
Other long-term liabilities	138,180	168,176
Pension liability	2,775	-
Long-term debt, net of current portion	<u>2,094,658</u>	<u>2,123,456</u>
Total liabilities	<u>4,278,315</u>	<u>4,456,192</u>
Net assets:		
Without donor restrictions:		
Stanford Health Care	6,098,219	5,855,965
Noncontrolling interests	39,283	30,476
Total without donor restrictions	<u>6,137,502</u>	<u>5,886,441</u>
With donor restrictions	<u>142,500</u>	<u>150,515</u>
Total net assets	<u>6,280,002</u>	<u>6,036,956</u>
Total liabilities and net assets	<u>\$10,558,317</u>	<u>\$10,493,148</u>

All information is preliminary and subject to change.

**Stanford Health Care**  
**Consolidated Statement of Operations and**  
**Changes in Net Assets – Unaudited**  
**For the Three-Month Period Ended November 30, 2022 and 2021**  
**(In Thousands)**

	<u>2022</u>	<u>2021</u>
Operating revenues and other support:		
Net patient service revenue	\$ 1,831,176	\$ 1,687,435
Premium revenue	15,675	19,655
Grants - COVID-19	-	4,387
FEMA	-	-
Other revenue	50,378	40,496
Net assets released from restrictions used for operations	2,254	961
Total operating revenues and other support	<u>1,899,483</u>	<u>1,752,934</u>
Operating expenses:		
Salaries and benefits	853,152	740,407
Professional services	9,584	11,151
Supplies	276,865	259,852
Purchased services	421,705	388,961
Depreciation and amortization	64,742	69,123
Interest	18,456	17,811
Other	143,373	120,902
Expense recoveries to (from) related parties	102	(1,157)
Total operating expenses	<u>1,787,979</u>	<u>1,607,050</u>
Income from operations	111,504	145,884
Interest and investment income	(3,198)	14,173
Earnings on equity method investments	4,910	18,641
Change in value of University managed pools and other	30,998	19,401
Swap interest and change in value of swap agreements	31,523	7,427
Other components of net periodic benefit costs	(1,492)	(811)
Excess of revenues over expenses	174,245	204,715
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(10,810)	(9,987)
Transfers from Lucile Salter Packard Children's Hospital	1,783	-
Change in net unrealized loss on investments	(1,070)	(3,940)
Net assets released from restrictions used for:		
Purchase of property and equipment	266	-
Purchase of property and equipment - New Stanford Hospital	328	2,495
Increase in net assets without donor restrictions	<u>164,742</u>	<u>193,283</u>
Changes in net assets with donor restrictions:		
Transfers from Stanford University	35	39
Contributions and other	975	1,871
Investment income	264	232
(Losses) gains on University managed pools	(1,024)	496
Net assets released from restrictions used for:		
Operations	(2,254)	(961)
Purchase of property and equipment	(266)	-
Purchase of property and equipment - New Stanford Hospital	(328)	(2,495)
Decrease in net assets with donor restrictions	<u>(2,598)</u>	<u>(818)</u>
Increase in net assets	162,144	192,465
Net assets, beginning of year	<u>6,117,858</u>	<u>5,844,491</u>
Net assets, end of year	<u>\$ 6,280,002</u>	<u>\$ 6,036,956</u>

All information is preliminary and subject to change.

**Stanford Health Care**  
**Consolidated Statement of Cash Flows – Unaudited**  
**For the Three-Month Period Ended November 30, 2022 and 2021**  
**(In Thousands)**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Change in Stanford Health Care net assets	\$ 161,518	\$ 192,067
Change in noncontrolling interests	626	398
Total change in net assets	<u>162,144</u>	<u>192,465</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	62,803	67,143
Change in fair value of interest rate swaps	(33,879)	(12,799)
Decrease in value of University managed pools	23,288	(48,696)
Unrealized (gains) losses on investments	(52,193)	32,741
Excess of income on equity method investees over distributions received	(12,284)	(18,328)
Contributions received for long lived assets or endowment	(562)	(3,106)
Net equity transfers to/from related parties	8,992	9,948
Changes in operating assets and liabilities:		
Patient accounts receivable	(217,412)	(109,098)
Due to related parties	(85,246)	(50,827)
Other receivables, inventory, other assets, prepaid expenses and other	4,268	28,688
Accounts payable, accrued liabilities and pension liabilities	77,160	46,776
Accrued salaries and related benefits	(48,777)	9,479
Third-party payor settlements	593	(551)
Self-insurance reserves	4,546	9,346
Cash (used) provided by operating activities	<u>(106,559)</u>	<u>153,181</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(63,480)	(59,605)
Sales of investments	8,600	54,930
Purchases of investments in University managed pools	(55)	(6)
Sales of investments in University managed pools	204	208
Swap settlement payments, net	(2,607)	(5,208)
Purchases of property and equipment	(115,869)	(73,718)
Cash used in investing activities	<u>(173,207)</u>	<u>(83,399)</u>
<b>Cash flows from financing activities:</b>		
Costs of issuance of debt	-	(4)
Payment of long-term debt and finance lease obligations	(9,648)	(7,969)
Contributions received for long lived assets or endowment	1,787	2,685
Net equity transfers to/from related parties	(9,416)	(9,976)
Cash used in financing activities	<u>(17,277)</u>	<u>(15,264)</u>
Net (decrease) increase in cash and cash equivalents	(297,043)	54,518
Cash and cash equivalents, beginning of year	536,803	407,044
Cash and cash equivalents, end of year	<u>\$ 239,760</u>	<u>\$ 461,562</u>
	-	-
<b>Supplemental data:</b>		
Cash and cash equivalents as shown on the consolidated balance sheets	\$ 239,760	\$ 461,562
Restricted cash included in assets limited as to use, held by trustee	-	-
Total cash and cash equivalents as shown on the statement of cash flows	<u>\$ 239,760</u>	<u>\$ 461,562</u>
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid, net of amounts capitalized	\$ 20,982	\$ 20,401
<b>Supplemental disclosures of non cash information:</b>		
(Decrease) increase in payables for property and equipment	\$ (18,945)	\$ (7,205)
Equity transfers from related parties, net	275	1,144

All information is preliminary and subject to change.

**Stanford Health Care  
Historical Utilization Statistics  
For the Three-Month Period Ended  
November 30, 2022 and 2021**

	<b>Three Months Ended</b>	
	<b>November,</b>	
	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Discharges</b>		
Acute	8,200	7,655
Behavioral Health	141	191
<b>Total</b>	<u><b>8,341</b></u>	<u><b>7,846</b></u>
 <b>Patient Days</b>		
Acute	56,529	51,659
Behavioral Health	2,522	2,231
<b>subtotal</b>	<u><b>59,051</b></u>	<u><b>53,890</b></u>
Short Stay OP	3,623	3,933
<b>Total</b>	<u><b>62,674</b></u>	<u><b>57,823</b></u>
 <b>Average Daily Census</b>		
Acute	621.2	567.7
Behavioral Health	27.7	24.5
<b>Total</b>	<u><b>648.9</b></u>	<u><b>592.2</b></u>
 <b>Average Length of Stay</b>		
Acute	6.89	6.75
Behavioral Health	17.89	11.68
<b>Total</b>	<u><b>7.08</b></u>	<u><b>6.87</b></u>
 <b>Case Mix Index</b>	2.76	2.74
<b>Emergency room visits*</b>	27,158	23,272
<b>Short Stay OP procedures</b>	13,380	12,722
<b>Other Outpatient visits</b>	313,245	355,224
 <b>Surgeries</b>		
Inpatient	3,240	3,317
Outpatient	7,649	7,267
<b>Total</b>	<u><b>10,889</b></u>	<u><b>10,584</b></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**

<b>CUSIP</b>	<b>Maturity Date</b>	<b>Current Commercial Paper Interest Rate (%)</b>	<b>Original Principal Amount</b>
13033LNX1	11/15/2045	2.67	\$ 42,050,000



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

<b>CUSIP</b>	<b>Maturity Date</b>	<b>Current Commercial Paper Interest Rate (%)</b>	<b>Original Principal Amount</b>
13033LNY9	11/15/2045	3.05	\$ 42,050,000

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

<b>CUSIP</b>	<b>Maturity Date</b>	<b>Interest Rate (%)</b>	<b>Original Principal Amount</b>
13033LZD2	08/15/2023	5.00	\$ 7,430,000

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

<b>CUSIP</b>	<b>Maturity Date</b>	<b>Interest Rate (%)</b>	<b>Original Principal Amount</b>
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**

<b>CUSIP</b>	<b>Maturity Date</b>	<b>Interest Rate (%)</b>	<b>Original Principal Amount</b>
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**

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

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

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