



Stanford

HEALTH CARE

STANFORD MEDICINE

Quarterly Financial Disclosure For the Three-Month Period Ended November 30, 2021 and 2020

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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 three-month period ended November 30, 2021 and 2020:

- 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



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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:

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Stanford Health Care
Consolidated Balance Sheet - Unaudited
As of November 30, 2021 and 2020
(In Thousands)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 461,562	\$ 1,684,305
Assets limited as to use, held by trustee	-	92
Short term investments	74,426	-
Patient accounts receivables, net	874,046	703,772
Other receivables	131,533	170,479
Inventories	108,502	141,172
Prepaid expenses and other	132,024	96,281
Due from related parties	-	14,310
Total current assets	<u>1,782,093</u>	<u>2,810,411</u>
Investments	2,037,425	710,197
Investments at equity	148,218	145,542
Investments in University managed pools	2,577,914	1,737,418
Property and equipment, net	3,616,834	3,623,677
Right of use lease assets	269,343	335,393
Other assets	61,321	58,879
Total assets	<u>\$10,493,148</u>	<u>\$ 9,421,517</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 642,403	\$ 923,768
Accrued salaries and related benefits	405,116	314,962
Due to related parties	12,653	-
Third-party payor settlements	55,108	63,689
Current portion of long-term debt	17,190	114,760
Debt subject to remarketing arrangements	168,200	168,200
Operating lease liabilities, current	76,442	77,331
Self-insurance reserves and other	76,816	58,452
Total current liabilities	<u>1,453,928</u>	<u>1,721,162</u>
Self-insurance reserves and other, net of current portion	226,790	232,253
Swap liabilities	272,855	330,545
Operating lease liabilities, non-current	210,987	279,074
Other long-term liabilities	168,176	201,640
Pension liability	-	8,455
Long-term debt, net of current portion	<u>2,123,456</u>	<u>2,044,941</u>
Total liabilities	<u>4,456,192</u>	<u>4,818,070</u>
Net assets:		
Without donor restrictions:		
Stanford Health Care	5,855,965	4,444,753
Noncontrolling interests	30,476	25,877
Total without donor restrictions	<u>5,886,441</u>	<u>4,470,630</u>
With donor restrictions	<u>150,515</u>	<u>132,817</u>
Total net assets	<u>6,036,956</u>	<u>4,603,447</u>
Total liabilities and net assets	<u>\$10,493,148</u>	<u>\$ 9,421,517</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, 2021 and 2020
(In Thousands)

	<u>2021</u>	<u>2020</u>
Operating revenues and other support:		
Net patient service revenue	\$ 1,687,435	\$ 1,442,438
Premium revenue	19,655	28,520
Grants - COVID-19	4,387	424
FEMA	-	-
Other revenue	40,496	48,203
Net assets released from restrictions used for operations	961	1,443
Total operating revenues and other support	<u>1,752,934</u>	<u>1,521,028</u>
Operating expenses:		
Salaries and benefits	740,407	666,277
Professional services	11,151	8,867
Supplies	259,852	220,627
Purchased services	388,961	368,701
Depreciation and amortization	69,123	66,183
Interest	17,811	17,662
Other	120,902	111,421
Expense recoveries from related parties	<u>(1,157)</u>	<u>(13,151)</u>
Total operating expenses	<u>1,607,050</u>	<u>1,446,587</u>
Income from operations	145,884	74,441
Interest and investment income	14,173	11,034
Earnings on equity method investments	18,641	31,900
Change in value of University managed pools and other	19,401	149,478
Swap interest and change in value of swap agreements	7,427	17,431
Other components of net periodic benefit costs	<u>(811)</u>	<u>(490)</u>
Excess of revenues over expenses	204,715	283,794
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(9,987)	(9,098)
Transfers from Lucile Salter Packard Children's Hospital	-	99
Change in net unrealized loss on investments	(3,940)	-
Net assets released from restrictions used for:	-	-
Purchase of property and equipment	-	-
Purchase of property and equipment - New Stanford Hospital	2,495	1,930
Change in pension and postretirement liability	-	-
Noncontrolling capital distribution	-	-
Loss from discontinued operations	-	-
Increase in net assets without donor restrictions	<u>193,283</u>	<u>276,725</u>
Changes in net assets with donor restrictions:		
Transfers from (to) Stanford University	39	(595)
Contributions and other	1,871	738
Investment income	232	256
Gains on University managed pools	496	2,248
Net assets released from restrictions used for:	-	0
Operations	(961)	(1,443)
Purchase of property and equipment	-	-
Purchase of property and equipment - New Stanford Hospital	<u>(2,495)</u>	<u>(1,930)</u>
(Decrease) Increase in net assets with donor restrictions	<u>(818)</u>	<u>(726)</u>
Increase in net assets	192,465	275,999
Net assets, beginning of year	<u>5,844,491</u>	<u>4,327,448</u>
Net assets, end of year	<u>\$ 6,036,956</u>	<u>\$ 4,603,447</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, 2021 and 2020
(In Thousands)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in Stanford Health Care net assets	\$ 192,067	\$ 274,568
Change in noncontrolling interests	398	1,431
Total change in net assets	<u>192,465</u>	<u>275,999</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on extinguishment of debt	-	-
Depreciation and amortization	67,143	63,297
Change in fair value of interest rate swaps	(12,799)	(22,747)
Increase in value of University managed pools	(48,696)	(124,530)
Unrealized (loss) gains on investments	32,741	(27,196)
Excess of income on equity method investees over distributions received	(18,328)	(28,754)
Contributions received for long lived assets or endowment	(3,106)	(1,579)
Net equity transfers to/from related parties	9,948	9,594
Premiums received from bond issuance	-	-
Changes in operating assets and liabilities:		
Patient accounts receivable	(109,098)	(49,430)
Due to related parties	(50,827)	(64,080)
Other receivables, inventory, other assets, prepaid expenses and other	28,688	(9,311)
Accounts payable, accrued liabilities and pension liabilities	46,776	55,705
Accrued salaries and related benefits	9,479	27,551
Third-party payor settlements	(551)	8,577
Self-insurance reserves	9,346	7,661
Cash provided by operating activities	<u>153,181</u>	<u>120,757</u>
Cash flows from investing activities:		
Purchases of investments	(59,605)	(4,099)
Sales of investments	54,930	7,960
Purchases of investments in University managed pools	(6)	(109)
Sales of investments in University managed pools	208	206
Swap settlement payments, net	(5,208)	(5,294)
Purchases of property and equipment	(73,718)	(58,584)
Cash used in investing activities	<u>(83,399)</u>	<u>(59,920)</u>
Cash flows from financing activities:		
Costs of issuance of debt	(4)	-
Payment of long-term debt and finance lease obligations	(7,969)	(9,241)
Contributions received for long lived assets or endowment	2,685	959
Net equity transfers to/from related parties	(9,976)	(11,162)
Cash used in financing activities	<u>(15,264)</u>	<u>(19,444)</u>
Net increase in cash and cash equivalents	54,518	41,393
Cash and cash equivalents, beginning of year	407,044	1,643,004
Cash and cash equivalents, end of year	<u>\$ 461,562</u>	<u>\$ 1,684,397</u>
Supplemental data:		
Cash and cash equivalents as shown on the consolidated balance sheets	\$ 461,562	\$ 1,684,305
Restricted cash included in assets limited as to use, held by trustee	-	92
Total cash and cash equivalents as shown on the statement of cash flows	<u>\$ 461,562</u>	<u>\$ 1,684,397</u>
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 20,401	\$ 20,874
Supplemental disclosures of non cash information:	\$ -	
Decrease in payables for property and equipment	\$ (7,205)	\$ (15,005)
Equity transfers from related parties, net	1,144	665

All information is preliminary and subject to change.

**Stanford Health Care
Historical Utilization Statistics
For the Three-Month Period Ended
November 30, 2021 and 2020**

	Three Months Ended	
	November,	
	2021	2020
Discharges		
Acute	7,655	7,051
Behavioral Health	191	127
Total	7,846	7,178
Patient Days		
Acute	51,659	43,939
Behavioral Health	2,231	1,694
subtotal	53,890	45,633
Short Stay OP	3,933	3,341
Total	57,823	48,974
Average Daily Census		
Acute	567.7	482.8
Behavioral Health	24.5	18.6
Total	592.2	501.5
Average Length of Stay		
Acute	6.75	6.23
Behavioral Health	11.68	13.34
Total	6.87	6.36
Case Mix Index	2.74	2.69
Emergency room visits*	23,272	22,634
Short Stay OP procedures	12,722	11,808
Other Outpatient visits	355,224	303,598
Surgeries		
Inpatient	3,317	3,304
Outpatient	7,267	6,366
Total	10,584	9,670

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**

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	0.10	\$ 42,050,000

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

CUSIP	Maturity Date	Interest Rate (%)	Original Principal Amount
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
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

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