



**Quarterly Financial Disclosure
For the Six-Month Period Ended
February 28, 2023 and 2022**

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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 months ended February 28, 2023 and 2022:

- 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.



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.

Note Regarding Stanford Health Care Staff Pension Plan

Stanford Health Care has adopted an amendment to terminate the Stanford Health Care Staff Pension Plan, effective as of March 31, 2023. Plan participants will elect to receive a lump sum distribution (if eligible) or have their benefits transferred to a third-party annuity provider, which will relieve Stanford Health Care from any further obligations under the plan once the plan is fully settled. Final settlement payments in connection with the annuity contract purchase are expected to be made by January 31, 2024 and are not expected to exceed \$10M.

For further information please contact:

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Stanford Health Care
Consolidated Balance Sheet - Unaudited
As of February 28, 2023, and 2022
(In Thousands)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 344,742	\$ 484,794
Short term investments	72,327	73,530
Patient accounts receivables, net	1,084,381	1,001,177
Other receivables	130,631	139,007
Inventories	110,940	107,140
Prepaid expenses and other	150,034	153,774
Due from related parties	98,850	64,479
Total current assets	1,991,905	2,023,901
Investments	1,912,081	2,016,502
Investments at equity	199,332	149,944
Investments in University managed pools	2,498,496	2,603,420
Property and equipment, net	3,784,611	3,619,190
Right of use lease assets	340,242	258,495
Other assets	52,855	59,197
Total assets	\$ 10,779,522	\$ 10,730,649
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 710,495	\$ 899,696
Accrued salaries and related benefits	414,909	377,874
Third-party payor settlements	43,535	68,332
Current portion of long-term debt	20,905	17,190
Debt subject to remarketing arrangements	168,200	168,200
Operating lease liabilities, current	71,354	77,624
Self-insurance reserves and other	102,494	93,278
Total current liabilities	1,531,892	1,702,194
Self-insurance reserves and other, net of current portion	224,737	251,109
Swap liabilities	100,082	236,260
Operating lease liabilities, non-current	280,520	197,915
Other long-term liabilities	137,938	139,134
Pension liability	3,126	-
Long-term debt, net of current portion	2,092,740	2,121,498
Total liabilities	4,371,035	4,648,110
Net assets:		
Without donor restrictions:		
Stanford Health Care	6,232,141	5,907,687
Noncontrolling interests	40,958	28,846
Total without donor restrictions	6,273,099	5,936,533
With donor restrictions	135,388	146,006
Total net assets	6,408,487	6,082,539
Total liabilities and net assets	\$ 10,779,522	\$ 10,730,649

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, 2023 and 2022
(In Thousands)

	<u>2023</u>	<u>2022</u>
Operating revenues and other support:		
Net patient service revenue	\$ 3,636,378	\$ 3,407,982
Premium revenue	31,856	37,384
Grants - COVID-19	-	13,128
FEMA	-	11,227
Other revenue	102,426	81,657
Net assets released from restrictions used for operations	<u>3,767</u>	<u>3,248</u>
Total operating revenues and other support	<u>3,774,427</u>	<u>3,554,626</u>
Operating expenses:		
Salaries and benefits	1,715,108	1,551,099
Professional services	28,571	25,594
Supplies	555,572	505,922
Purchased services	834,596	788,645
Depreciation and amortization	131,259	137,664
Interest	37,076	35,548
Other	258,153	255,056
Expense recoveries from related parties	<u>(383)</u>	<u>(1,367)</u>
Total operating expenses	<u>3,559,952</u>	<u>3,298,161</u>
Income from operations	214,475	256,465
Interest and investment income	24,037	94,214
Earnings on equity method investments	13,313	17,468
Change in value of University managed pools and other	24,498	(139,879)
Swap interest and change in value of swap agreements	42,222	38,672
Other components of net periodic benefit costs	<u>(2,985)</u>	<u>(1,622)</u>
Excess of revenues over expenses	315,560	265,318
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(21,350)	(19,972)
Transfers from Lucile Salter Packard Children's Hospital	1,783	-
Change in net unrealized loss on investments	2,804	(10,509)
Net assets released from restrictions used for:		
Purchase of property and equipment	839	2,000
Purchase of property and equipment - New Stanford Hospital	703	6,538
Change in pension and postretirement liability	-	-
Noncontrolling capital contribution	<u>-</u>	<u>-</u>
Increase in net assets without donor restrictions	<u>300,339</u>	<u>243,375</u>
Changes in net assets with donor restrictions:		
Transfers from Stanford University	(86)	1,245
Contributions and other	(5,095)	4,852
Investment income	708	456
Losses on University managed pools	72	(94)
Net assets released from restrictions used for:		
Operations	(3,767)	(3,248)
Purchase of property and equipment	(839)	(2,000)
Purchase of property and equipment - New Stanford Hospital	<u>(703)</u>	<u>(6,538)</u>
Decrease in net assets with donor restrictions	<u>(9,710)</u>	<u>(5,327)</u>
Increase in net assets	290,629	238,048
Net assets, beginning of year	<u>6,117,858</u>	<u>5,844,491</u>
Net assets, end of year	<u>\$ 6,408,487</u>	<u>\$ 6,082,539</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, 2023 and 2022
(In Thousands)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in Stanford Health Care net assets	\$ 288,328	\$ 239,280
Change in noncontrolling interests	2,301	(1,232)
Total change in net assets	<u>290,629</u>	<u>238,048</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	127,402	133,726
Change in fair value of interest rate swaps	(45,824)	(49,394)
Decrease in value of University managed pools	28	(24,555)
Unrealized (gains) losses on investments	(27,302)	175,042
Excess of income on equity method investees over distributions received	(11,909)	(13,245)
Contributions received for long lived assets or endowment	(1,195)	(7,322)
Net equity transfers to related parties	19,653	18,727
Changes in operating assets and liabilities:		
Patient accounts receivable	(60,813)	(236,229)
Due to related parties	(97,837)	(64,809)
Other receivables, inventory, other assets, prepaid expenses and other	(22,504)	(68,714)
Accounts payable, accrued liabilities and pension liabilities	97,263	277,446
Accrued salaries and related benefits	(67,164)	(17,763)
Third-party payor settlements	(19,789)	12,673
Self-insurance reserves	<u>10,376</u>	<u>50,127</u>
Cash provided by operating activities	<u>191,014</u>	<u>423,758</u>
Cash flows from investing activities:		
Purchases of investments	(98,049)	(140,594)
Sales of investments	34,335	80,676
Purchases of investments at equity	(26,016)	-
Purchases of investments in University managed pools	(229)	(50,244)
Sales of investments in University managed pools	1,338	208
Swap settlement payments, net	(3,882)	(10,579)
Purchases of property and equipment	<u>(192,912)</u>	<u>(142,668)</u>
Cash used in investing activities	<u>(285,415)</u>	<u>(263,201)</u>
Cash flows from financing activities:		
Costs of issuance of debt	-	(4)
Payment of long-term debt and finance lease obligations	(9,648)	(7,988)
Contributions received for long lived assets or endowment	2,398	6,573
Net equity transfers to related parties	<u>(90,410)</u>	<u>(81,388)</u>
Cash used in financing activities	<u>(97,660)</u>	<u>(82,807)</u>
Net (decrease) increase in cash and cash equivalents	(192,061)	77,750
Cash and cash equivalents, beginning of year	<u>536,803</u>	<u>407,044</u>
Cash and cash equivalents, end of year	<u>\$ 344,742</u>	<u>\$ 484,794</u>
	-	-
Supplemental data:		
Cash and cash equivalents as shown on the consolidated balance sheets	\$ 344,742	\$ 484,794
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>\$ 344,742</u>	<u>\$ 484,794</u>
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 41,001	\$ 39,528
Supplemental disclosures of non cash information:		
(Decrease) increase in payables for property and equipment	\$ (2,266)	\$ (5,187)
Equity transfers from related parties, net	172	2,330

All information is preliminary and subject to change.

**Stanford Health Care
Historical Utilization Statistics
For the Six-Month Period Ended
February 28, 2023 and 2022**

	Six Months Ended	
	February,	
	<u>2023</u>	<u>2022</u>
Discharges		
Acute	16,231	14,870
Behavioral Health	296	353
Total	<u>16,527</u>	<u>15,223</u>
 Patient Days		
Acute	115,190	104,501
Behavioral Health	4,948	4,765
subtotal	<u>120,138</u>	<u>109,266</u>
Short Stay OP	7,165	7,771
Total	<u>127,303</u>	<u>117,037</u>
 Average Daily Census		
Acute	636.4	577.4
Behavioral Health	27.3	26.3
Total	<u>663.7</u>	<u>603.7</u>
 Average Length of Stay		
Acute	7.10	7.03
Behavioral Health	16.72	13.50
Total	<u>7.27</u>	<u>7.18</u>
 Case Mix Index	2.69	2.76
Emergency room visits*	53,015	47,637
Short Stay OP procedures	26,504	24,473
Other Outpatient visits	595,700	732,958
 Surgeries		
Inpatient	6,367	6,244
Outpatient	14,942	14,032
Total	<u>21,309</u>	<u>20,276</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>Maturity Date</u>	<u>Current Commercial Paper Interest Rate (%)</u>	<u>Original Principal Amount</u>
13033LNX1	11/15/2045	2.7	\$ 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	2.7	\$ 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
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
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