



**Quarterly Financial Disclosure
For the Three-Month Period Ended
November 30, 2020 and 2019**

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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 three month periods ended November 30, 2020 and 2019:

- 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.

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All information is preliminary and subject to change.

Stanford Health Care
Consolidated Balance Sheet - Unaudited
As of November 30, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,684,305	\$ 451,801
Assets limited as to use, held by trustee	92	11
Short term investments	-	401,587
Patient accounts receivables, net	703,772	729,356
Other receivables	170,479	77,856
Inventories	141,172	72,055
Prepaid expenses and other	96,281	84,903
Due from related parties	14,310	-
Total current assets	<u>2,810,411</u>	<u>1,817,569</u>
Investments	710,197	667,399
Investments at equity	145,542	102,004
Investments in University managed pools	1,737,418	1,527,849
Property and equipment, net	3,623,677	3,719,453
Right of use lease assets	335,393	259,586
Other assets	58,879	79,827
Total assets	<u>\$ 9,421,517</u>	<u>\$ 8,173,687</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 923,768	\$ 583,544
Accrued salaries and related benefits	314,962	270,389
Due to related parties	-	41,688
Third-party payor settlements	63,689	41,079
Current portion of long-term debt	114,760	116,210
Debt subject to remarketing arrangements	168,200	228,200
Operating lease liabilities, current	77,331	62,653
Self-insurance reserves and other	58,452	57,297
Total current liabilities	<u>1,721,162</u>	<u>1,401,060</u>
Self-insurance reserves and other, net of current portion	232,253	183,927
Swap liabilities	330,545	281,239
Operating lease liabilities, non-current	279,074	220,507
Other long-term liabilities	201,640	126,885
Pension liability	8,455	17,058
Long-term debt, net of current portion	<u>2,044,941</u>	<u>1,582,483</u>
Total liabilities	<u>4,818,070</u>	<u>3,813,159</u>
Net assets:		
Without donor restrictions:		
Stanford Health Care	4,444,753	4,206,788
Noncontrolling interests	25,877	21,770
Total without donor restrictions	<u>4,470,630</u>	<u>4,228,558</u>
With donor restrictions	<u>132,817</u>	<u>131,970</u>
Total net assets	<u>4,603,447</u>	<u>4,360,528</u>
Total liabilities and net assets	<u>\$ 9,421,517</u>	<u>\$ 8,173,687</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, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
Operating revenues and other support:		
Net patient service revenue	\$ 1,442,438	\$ 1,320,141
Premium revenue	28,520	28,047
Grants - COVID-19	424	-
Other revenue	48,203	38,804
Net assets released from restrictions used for operations	1,443	1,570
Total operating revenues and other support	<u>1,521,028</u>	<u>1,388,562</u>
Operating expenses:		
Salaries and benefits	666,277	619,015
Professional services	8,867	8,688
Supplies	220,627	194,748
Purchased services	368,701	385,563
Depreciation and amortization	66,183	56,294
Interest	17,662	12,635
Other	111,421	106,884
Expense recoveries from related parties	(13,151)	(31,085)
Total operating expenses	<u>1,446,587</u>	<u>1,352,742</u>
Income from operations	74,441	35,820
Interest and investment income	11,034	11,967
Earnings on equity method investments	31,900	2,405
Change in value of University managed pools and other	149,478	48,858
Swap interest and change in value of swap agreements	17,431	32,027
Other components of net periodic benefit costs	(490)	-
Excess of revenues over expenses	283,794	131,077
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(9,098)	(10,442)
Transfers from Lucile Salter Packard Children's Hospital	99	-
Change in net unrealized gain on investments	-	19,985
Net assets released from restrictions used for:		
Purchase of property and equipment	-	249
Purchase of property and equipment - New Stanford Hospital	1,930	544,214
Noncontrolling capital distribution	-	(2,400)
Increase in net assets without donor restrictions	<u>276,725</u>	<u>682,683</u>
Changes in net assets with donor restrictions:		
Transfers (to) from Stanford University	(595)	65
Contributions and other	738	625
Investment income	256	146
Gains on University managed pools	2,248	394
Net assets released from restrictions used for:		
Operations	(1,443)	(1,570)
Purchase of property and equipment	-	(249)
Purchase of property and equipment - New Stanford Hospital	(1,930)	(544,214)
Decrease in net assets with donor restrictions	<u>(726)</u>	<u>(544,803)</u>
Increase in net assets	275,999	137,880
Net assets, beginning of year	<u>4,327,448</u>	<u>4,222,648</u>
Net assets, end of year	<u>\$ 4,603,447</u>	<u>\$ 4,360,528</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, 2020 and 2019
(In Thousands)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in Stanford Health Care net assets	\$ 274,568	\$ 143,021
Change in noncontrolling interests	1,431	(5,141)
Total change in net assets	<u>275,999</u>	<u>137,880</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	63,297	55,894
Change in fair value of interest rate swaps	(22,747)	(35,557)
Increase in value of University managed pools	(124,530)	(48,858)
Unrealized gains on investments	(27,196)	(20,378)
Excess of income on equity method investees over distributions received	(28,754)	(5,413)
Contributions received for long lived assets or endowment	(1,579)	(3,101)
Net equity transfers to/from related parties	9,594	10,377
Changes in operating assets and liabilities:		
Patient accounts receivable	(49,430)	(43,931)
Due to related parties	(64,080)	(63,078)
Other receivables, inventory, other assets, prepaid expenses and other	(9,311)	8,598
Accounts payable, accrued liabilities and pension liabilities	55,705	52,699
Accrued salaries and related benefits	27,551	(4,710)
Third-party payor settlements	8,577	11,161
Self-insurance reserves	7,661	7,760
Cash provided by operating activities	<u>120,757</u>	<u>59,343</u>
Cash flows from investing activities:		
Purchases of investments	(4,099)	(6,205)
Sales of investments	7,960	17,418
Purchases of investments in University managed pools	(109)	(43)
Sales of investments in University managed pools	206	-
Swap settlement payments, net	(5,294)	(2,219)
Purchases of property and equipment	(58,584)	(108,370)
Cash used in investing activities	<u>(59,920)</u>	<u>(99,419)</u>
Cash flows from financing activities:		
Costs of issuance of debt	-	(61)
Payment of long-term debt and finance lease obligations	(9,241)	(7,282)
Contributions received for long lived assets or endowment	959	4,016
Net equity transfers to/from related parties	(11,162)	(10,305)
Cash used in financing activities	<u>(19,444)</u>	<u>(13,632)</u>
Net increase (decrease) in cash and cash equivalents	41,393	(53,708)
Cash and cash equivalents, beginning of year	1,643,004	505,509
Cash and cash equivalents, end of year	<u>\$ 1,684,397</u>	<u>\$ 451,801</u>
Supplemental data:		
Cash and cash equivalents as shown on the consolidated balance sheets	\$ 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>\$ 1,684,397</u>	<u>\$ -</u>
Supplemental disclosures of cash flow information:		
Interest paid, net of amounts capitalized	\$ 20,874	\$ 20,560
Supplemental disclosures of non cash information:		
Decrease in payables for property and equipment	\$ (15,005)	\$ (23,675)
Equity transfers to related parties, net	665	639

All information is preliminary and subject to change.

**Stanford Health Care
Historical Utilization Statistics
For the Three-Month Period Ended
November 30, 2020 and 2019**

	Three Months Ended	
	November,	
	2020	2019
Discharges		
Acute	7,051	6,706
Behavioral Health	127	246
Total	7,178	6,952
Patient Days		
Acute	43,939	38,028
Behavioral Health	1,694	2,194
subtotal	45,633	40,222
Short Stay OP	3,341	3,714
Total	48,974	43,936
Average Daily Census		
Acute	482.8	417.9
Behavioral Health	18.6	24.1
Total	501.5	442.0
Average Length of Stay		
Acute	6.23	5.67
Behavioral Health	13.34	8.92
Total	6.36	5.79
Case Mix Index	2.69	2.51
Emergency room visits*	22,634	19,682
Short Stay OP procedures	11,808	11,981
Other Outpatient visits	303,598	238,049
Surgeries		
Inpatient	3,304	3,293
Outpatient	6,366	6,162
Total	9,670	9,455

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	0.30	\$ 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
13033LYS0	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