



# Stanford

## HEALTH CARE

---

### STANFORD MEDICINE

### Quarterly Financial Disclosure For the Six Months Ended February 28, 2022 and 2021

---

#### INDEX

	<b>Page</b>
Overview of Disclosure	2
Consolidated Financial Statements:	
Consolidated Balance Sheet as of February 28, 2022 and 2021	4
Consolidated Statement of Operations and Changes in Net Assets For the Six Months Ended February 28, 2022 and 2021	5
Consolidated Statement of Cash Flows For the Six Months Ended February 28, 2022 and 2021	6
Historical Utilization Statistics For the Six Months Ended February 28, 2022 and 2021	7
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 months ended February 28, 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

---

### 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 February 28, 2022, and 2021**  
**(In Thousands)**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 484,794	\$ 1,104,525
Assets limited as to use, held by trustee	-	86
Short term investments	73,530	74,972
Patient accounts receivables, net	1,001,177	732,748
Other receivables	139,007	118,774
Inventories	107,140	126,116
Prepaid expenses and other	153,774	122,290
Due from related parties	64,479	28,331
Total current assets	<u>2,023,901</u>	<u>2,307,842</u>
Investments	2,016,502	1,473,990
Investments at equity	149,944	146,459
Investments in University managed pools	2,603,420	2,049,961
Property and equipment, net	3,619,190	3,620,487
Right of use lease assets	258,495	342,179
Other assets	59,197	75,361
Total assets	<u>\$10,730,649</u>	<u>\$10,016,279</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 899,696	\$ 1,333,976
Accrued salaries and related benefits	377,874	341,841
Third-party payor settlements	68,332	72,318
Current portion of long-term debt	17,190	114,760
Debt subject to remarketing arrangements	168,200	168,200
Operating lease liabilities, current	77,624	79,142
Self-insurance reserves and other	93,278	64,953
Total current liabilities	<u>1,702,194</u>	<u>2,175,190</u>
Self-insurance reserves and other, net of current portion	251,109	232,428
Swap liabilities	236,260	266,393
Operating lease liabilities, non-current	197,915	283,563
Other long-term liabilities	139,134	164,826
Pension liability	-	8,255
Long-term debt, net of current portion	2,121,498	2,043,652
Total liabilities	<u>4,648,110</u>	<u>5,174,307</u>
Net assets:		
Without donor restrictions:		
Stanford Health Care	5,907,687	4,664,131
Noncontrolling interests	28,846	27,537
Total without donor restrictions	<u>5,936,533</u>	<u>4,691,668</u>
With donor restrictions	146,006	150,304
Total net assets	<u>6,082,539</u>	<u>4,841,972</u>
Total liabilities and net assets	<u>\$10,730,649</u>	<u>\$10,016,279</u>

All information is preliminary and subject to change.

**Stanford Health Care**  
**Consolidated Statement of Operations and**  
**Changes in Net Assets – Unaudited**  
**For the Six Months Ended February 28, 2022 and 2021**  
**(In Thousands)**

	<u>2022</u>	<u>2021</u>
Operating revenues and other support:		
Net patient service revenue	\$ 3,407,982	\$ 2,853,411
Premium revenue	37,384	58,771
Grants - COVID-19	13,128	9,736
FEMA	11,227	-
Other revenue	81,657	85,372
Net assets released from restrictions used for operations	3,248	2,940
Total operating revenues and other support	<u>3,554,626</u>	<u>3,010,230</u>
Operating expenses:		
Salaries and benefits	1,551,099	1,356,155
Professional services	25,594	18,967
Supplies	505,922	449,304
Purchased services	788,645	720,200
Depreciation and amortization	137,664	132,315
Interest	35,548	37,889
Other	255,056	216,312
Expense recoveries from related parties	(1,367)	(26,637)
Total operating expenses	<u>3,298,161</u>	<u>2,904,505</u>
Income from operations	256,465	105,725
Interest and investment income	94,214	22,211
Earnings on equity method investments	17,468	31,137
Change in value of University managed pools and other	(139,879)	272,723
Swap interest and change in value of swap agreements	38,672	76,259
Other components of net periodic benefit costs	(1,622)	(980)
Excess of revenues over expenses	265,318	507,075
Other changes in net assets without donor restrictions:		
Transfers to Stanford University	(19,972)	(18,446)
Transfers from Lucile Salter Packard Children's Hospital	-	99
Change in net unrealized loss on investments	(10,509)	(1,170)
Net assets released from restrictions used for:		
Purchase of property and equipment	2,000	-
Purchase of property and equipment - New Stanford Hospital	6,538	10,205
Increase in net assets without donor restrictions	<u>243,375</u>	<u>497,763</u>
Changes in net assets with donor restrictions:		
Transfers from Stanford University	1,245	651
Contributions and other	4,852	24,841
Investment income	456	421
(Loss) gains on University managed pools	(94)	3,993
Net assets released from restrictions used for:		
Operations	(3,248)	(2,940)
Purchase of property and equipment	(2,000)	-
Purchase of property and equipment - New Stanford Hospital	(6,538)	(10,205)
(Decrease) Increase in net assets with donor restrictions	<u>(5,327)</u>	<u>16,761</u>
Increase in net assets	238,048	514,524
Net assets, beginning of year	<u>5,844,491</u>	<u>4,327,448</u>
Net assets, end of year	<u>\$ 6,082,539</u>	<u>\$ 4,841,972</u>

All information is preliminary and subject to change.

**Stanford Health Care**  
**Consolidated Statement of Cash Flows – Unaudited**  
**For the Six Months Ended**  
**February 28, 2022 and 2021**  
(In Thousands)

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Change in Stanford Health Care net assets	\$ 239,280	\$ 511,433
Change in noncontrolling interests	(1,232)	3,091
Total change in net assets	<u>238,048</u>	<u>514,524</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	133,726	129,105
Change in fair value of interest rate swaps	(49,394)	(86,899)
Increase in value of University managed pools	(24,555)	(272,723)
Unrealized (loss) gains on investments	175,042	(2,815)
Excess of income on equity method investees over distributions received	(13,245)	(30,900)
Contributions received for long lived assets or endowment	(7,322)	(19,762)
Net equity transfers to/from related parties	18,727	17,696
Changes in operating assets and liabilities:		
Patient accounts receivable	(236,229)	(78,406)
Due to related parties	(64,809)	(67,427)
Other receivables, inventory, other assets, prepaid expenses and other	(68,714)	14,530
Accounts payable, accrued liabilities and pension liabilities	277,446	431,755
Accrued salaries and related benefits	(17,763)	54,430
Third-party payor settlements	12,673	17,206
Self-insurance reserves	50,127	14,337
Cash provided by operating activities	<u>423,758</u>	<u>634,651</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(140,594)	(841,024)
Sales of investments	80,676	17,819
Purchases of investments in University managed pools	(50,244)	(200,547)
Sales of investments in University managed pools	208	206
Swap settlement payments, net	(10,579)	(10,470)
Purchases of property and equipment	(142,668)	(119,019)
Cash used in investing activities	<u>(263,201)</u>	<u>(1,153,035)</u>
<b>Cash flows from financing activities:</b>		
Costs of issuance of debt	(4)	(80)
Payment of long-term debt and finance lease obligations	(7,988)	(9,241)
Contributions received for long lived assets or endowment	6,573	9,722
Net equity transfers to/from related parties	(81,388)	(20,410)
Cash used in financing activities	<u>(82,807)</u>	<u>(20,009)</u>
Net Increase (decrease) in cash and cash equivalents	77,750	(538,393)
Cash and cash equivalents, beginning of year	407,044	1,643,004
Cash and cash equivalents, end of year	<u>\$ 484,794</u>	<u>\$ 1,104,611</u>
<b>Supplemental data:</b>		
Cash and cash equivalents as shown on the consolidated balance sheets	\$ 484,794	\$ 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>\$ 484,794</u>	<u>\$ 1,104,611</u>
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid, net of amounts capitalized	\$ 39,528	\$ 41,081
<b>Supplemental disclosures of non cash information:</b>		
Decrease in payables for property and equipment	\$ (5,187)	\$ (12,827)
Equity transfers from related parties, net	2,330	10,133

All information is preliminary and subject to change.

**Stanford Health Care  
Historical Utilization Statistics  
For the Six Months Ended  
February 28, 2022 and 2021**

---

		<b>Six Months Ended</b>	
		<b>February,</b>	
		<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Discharges</b>			
Acute		14,870	13,448
Behavioral Health		353	247
<b>Total</b>		<u><b>15,223</b></u>	<u><b>13,695</b></u>
 <b>Patient Days</b>			
Acute		104,501	87,232
Behavioral Health		4,765	3,406
<b>subtotal</b>		<u><b>109,266</b></u>	<u><b>90,638</b></u>
Short Stay OP		7,771	6,582
<b>Total</b>		<u><b>117,037</b></u>	<u><b>97,220</b></u>
 <b>Average Daily Census</b>			
Acute		577.4	481.9
Behavioral Health		26.3	18.8
<b>Total</b>		<u><b>603.7</b></u>	<u><b>500.8</b></u>
 <b>Average Length of Stay</b>			
Acute		7.03	6.49
Behavioral Health		13.50	13.79
<b>Total</b>		<u><b>7.18</b></u>	<u><b>6.62</b></u>
<b>Case Mix Index</b>		2.76	2.79
<b>Emergency room visits*</b>		47,637	45,597
<b>Short Stay OP procedures</b>		24,473	22,357
<b>Other Outpatient visits</b>		732,958	670,717
 <b>Surgeries</b>			
Inpatient		6,244	5,981
Outpatient		14,032	12,229
<b>Total</b>		<u><b>20,276</b></u>	<u><b>18,210</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	0.47	\$ 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	0.92	\$ 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>
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**

<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>
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**

<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