

CONTRA COSTA
HEALTH



cchealth.org

Finance Report

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Contra Costa Health

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Consolidated CCRMC FY25/26 Forecast (\$ in '000s)



Based on Year to Date: March 2026



| CC - Hospital | FY 2025 | FY 2026 | FY 2026 | VARIANCE (FORECAST vs PY ACTUAL) | | VARIANCE (FORECAST vs BUDGET) | |
|---|-------------------|--------------------|-----------------|----------------------------------|---------------|-------------------------------|---------------|
| | ACTUAL | FORECAST | BUDGET | (\$) | (%) | (\$) | (%) |
| Revenue | | | | | | | |
| Gross Revenue | \$ 863,007 | \$ 876,777 | \$ 777,004 | \$ 13,770 | 2% | 99,774 | 13% |
| Contractuals & Bad Debt | (469,079) | (477,407) | (368,148) | (8,328) | (2%) | (109,259) | 30% |
| Net Revenue | 393,928 | 399,370 | 408,855 | 5,441 | 1% | (9,486) | (2%) |
| <i>Contractual & Bad Debt %</i> | <i>(54%)</i> | <i>(54%)</i> | <i>(47%)</i> | | | | |
| <i>Net Patient Revenue %</i> | <i>46%</i> | <i>46%</i> | <i>53%</i> | | | | |
| Supplemental Revenue | 340,014 | 297,822 | 299,951 | (42,192) | (12%) | (2,130) | (1%) |
| Total Net Patient Revenue | 733,942 | 697,191 | 708,807 | (36,751) | (5%) | (11,615) | (2%) |
| Governmental Support & Realignment Revenue | 34,700 | 33,525 | 33,009 | (1,175) | (3%) | 516 | 2% |
| Grants & Donations | 7,050 | 4,819 | 4,860 | (2,231) | (32%) | (41) | (1%) |
| Charges to Gen Fund Units | 59,669 | 60,173 | 59,775 | 505 | 1% | 398 | 1% |
| Other Revenue | 4,807 | 1,933 | 3,509 | (2,875) | (60%) | (1,577) | (45%) |
| Total Other Revenue | 106,226 | 100,451 | 101,154 | (5,775) | (5%) | (703) | (1%) |
| Total Operating Revenue (ex Subsidies) | 840,168 | 797,642 | 809,961 | (42,526) | (5%) | (12,319) | (2%) |
| Expenses | | | | | | | |
| Salaries, Wages, & Benefits | 577,213 | 602,140 | 630,120 | (24,927) | (4%) | 27,980 | 4% |
| Professional Fees & Purchased Services | 129,101 | 132,609 | 112,266 | (3,508) | (3%) | (20,343) | (18%) |
| Supplies & Drugs | 63,415 | 64,780 | 60,316 | (1,365) | (2%) | (4,464) | (7%) |
| Other Expenses | 98,276 | 105,293 | 93,487 | (7,017) | (7%) | (11,806) | (13%) |
| Total Operating Expenses | 868,005 | 904,823 | 896,189 | (36,818) | (4%) | (8,634) | (1%) |
| <i>Expenses as a % of Operating Revenue</i> | <i>102%</i> | <i>113%</i> | <i>111%</i> | | | | |
| EBIDA | (27,837) | (107,181) | (86,229) | (79,344) | (285%) | (20,952) | (24%) |
| <i>EBIDA (%)</i> | <i>(2%)</i> | <i>(13%)</i> | <i>(11%)</i> | | | | |
| Subsidy (+) | 124,461 | 119,000 | 119,000 | (5,460) | (4%) | - | - |
| Net Income (incl. Subsidy) | 96,624 | 11,820 | 32,772 | (84,804) | (88%) | (20,952) | (64%) |
| Other (Income) / Expense Items | | | | | | | |
| Interest Expense | 305 | 1,148 | 1,257 | (843) | (277%) | 109 | 9% |
| Interest Income | (10,561) | (10,100) | (7,900) | (461) | (4%) | 2,200 | 28% |
| Depreciation Expense | 3,698 | 3,865 | 167 | (167) | (5%) | (3,698) | (2,218%) |
| Adjusted Net Income | 103,182 | 16,907 | 39,248 | (86,275) | (84%) | (22,341) | (57%) |
| Expenditure Transfers (-) | - | - | - | - | - | - | - |
| Capital Expenditures (-) | 363 | 32,248 | 39,248 | (31,885) | (8,781%) | - | - |
| Total Net Expenditures | \$ 102,819 | \$ (15,341) | \$ (0) | \$ (118,160) | (115%) | \$ (15,341) | (100%) |

Key Variance Drivers

- 1 Increase in net patient revenue driven by higher psych and outpatient volumes and favorable rate increases
- 2 Decreased in Non-recurring supplemental revenue (\$60M) from 2025 offset by final settlements (\$8M) and increases in Rate Range (\$8M) and GME (\$2M)
- 3 Unfavorable salaries & benefits driven by market and merit adjustments
- 4 Increase in software and occupancy costs
- 5 Reduced Subsidy driven by an early payment of debt in 2025 (2015 A/B Bonds)

Removal of Capital Assets from County Inventory

Purpose

- To clean-up capital equipment asset records
- Retire 333 capital equipment asset records (out of 2,833) from the county's inventory system
- 53 out of 280 of these items have a net book value (as of 5/26/26)
- Retire items with original total cost of \$6.8M (with \$6.6M accumulated depreciation) compared to total capital equipment original cost of \$81.8M
- Estimated net book value for record clean-up total \$0.2M compared to total capital equipment net book value of \$15.1M (as of 5/26/26)

Removal of Capital Assets from County Inventory

Background

- Assets are obsolete, fully depreciated, or no longer in service, but remain in inventory
- Majority of these assets are fully or nearly fully depreciated
- Missing or incomplete disposal documentation causes assets to remain in inventory

Removal of Capital Assets from County Inventory

Impact

- No cash impact
- Capital assets are overstated by net book value
- Increased audit risk due to misalignment between inventory and accounting records

Removal of Capital Assets from County Inventory

Action Plan

- Update and streamline procedures for custodians
- Implement annual training to re-enforce policies and procedures (PolicyStat ID 16733565 – Policy for Purchasing, Transfer, Salvage, and Annual Inventory of Capital Equipment – approved by JCC 11/14/24)
- Collaborate between finance, management, and Public Works to ensure procedures are followed