



Fiscal Year 2024 Financial Plan: Operating and Capital Budget

April 10, 2023



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1. Philosophy
2. Current State and Significant Assumptions
3. Operating and Capital Budgets
4. Investments in Strategic Goals
5. Tax Budget
6. Individual Entity Review
7. Conclusions



Philosophy

Mission:

- Heal the body, mind, and spirit of those we touch

Vision:

- To be a premier clinically integrated delivery system providing access to exceptional patient-and family-centered care, medical education, research and innovation for the benefit of the community we serve

The Seven Pillars:

- The budget enables Memorial Healthcare System to focus on strategic goals, which are centered on the seven pillars





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FY2023 Current State

- Growing market attracting new competitors
- Record volumes creating capacity constraints
- Reimbursement rate pressures
- Reliance on supplemental Medicaid funding
- Stabilizing labor but at premium cost
- Inflationary pressures affecting supply chain
- Market volatility affecting pension and operating portfolios
- Increasing demand for IT services
- Barriers in throughput and efficiency



FY2024 Budget Significant Assumptions

- Market factors include heightened demand for services, higher acuity and discharge challenges offset by concerted efforts in throughput management
- Volume drivers include growth within capacity partially offset by a lower length of stay, higher average daily census and higher adjusted admissions
- Labor considerations include reduction in dependency on contract and premium labor through focused recruitment and retention strategies
- Inflationary pressures continue with higher supply costs
- End of the Public Health Emergency (May 11, 2023)
- Revenue streams are impacted by payor pressures and lower government support - Directed Payment Program revenue is at \$62M in 2024, a \$13M unfavorable impact to prior year
- Higher corporate expenses driven by investments in strategic and logistics initiatives
- Capital budget proposal includes three scenarios of \$325 | \$298 | \$269M with project carryover from prior years of \$183M



Financial Pressures Impact Hospital Margins

“2022 was the worst financial year since the start of the pandemic. Approximately half of U.S. hospitals finished the year with a negative margin as growth in expenses outpaced revenue increases” – Kaufman Hall

Providence suffers rating downgrade as operational challenges persist and reports \$1.7B operating loss in 2022

March 10, 2023

Cleveland Clinic posts \$1.2B net loss in 2022; investments hit hard while expenses climb

March 2, 2023

Baptist Health South Florida flipped to a loss (\$710.8M) for its 2022 fiscal year

December 22, 2022

Cano Health looking at all options after \$428M loss

February 27, 2023

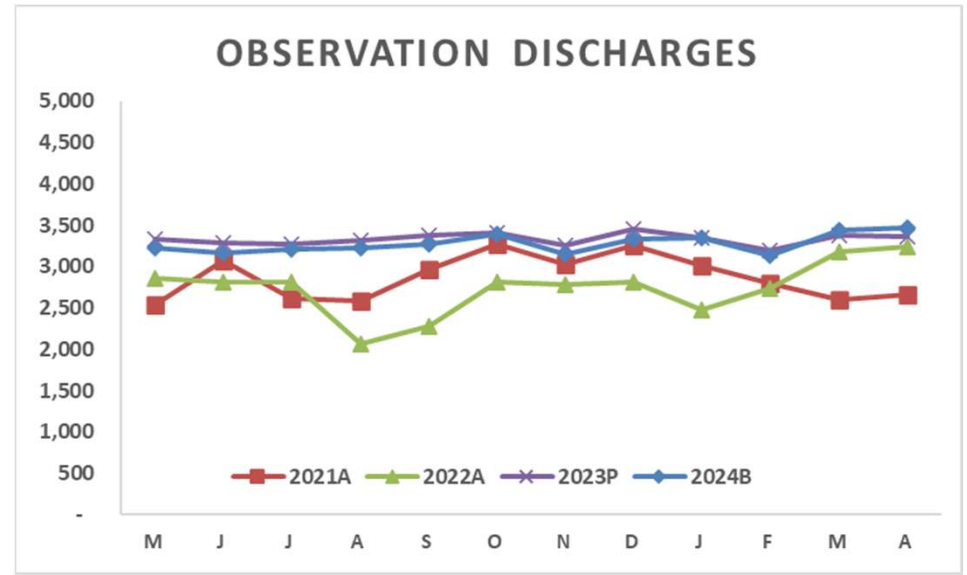
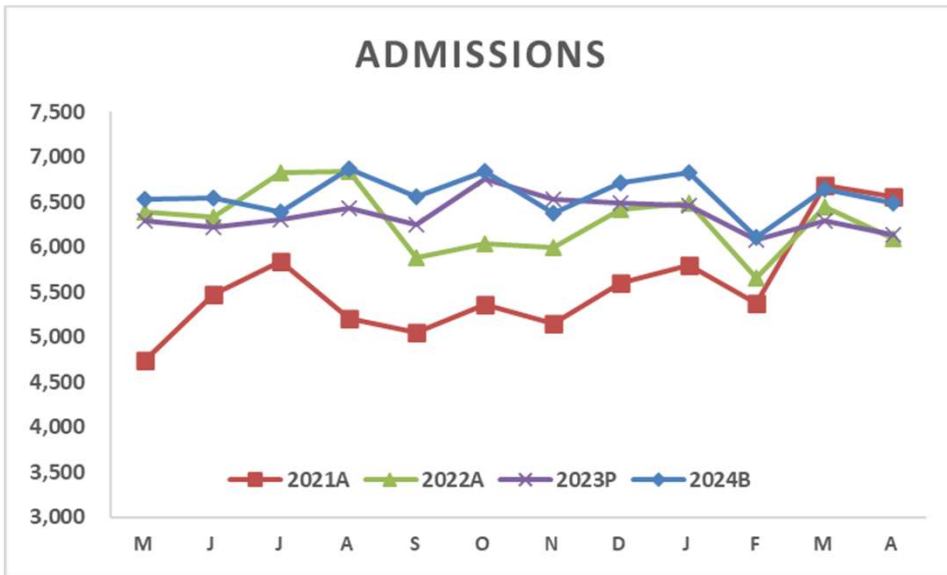


Changing the Landscape – Scholarships & Nurse Residencies, Fellowships, and Float Pool

- **Scholarships & Nurse Residency**
 - Affiliations with 5 universities, subsidizing professors and clinical adjuncts
 - At least 20 scholarships to students from each school, with clinical rotations navigated during their senior year, followed by guaranteed nurse residency program
 - NRP is a yearlong evidence-based program which helps to augment a graduate nurse's learning experience
 - Graduated 1,119 Nurse Residents since the start of the program in 2018. FY24 Goal is to hire 600 Nurse Residents
 - Year 1 retention rate average is 92.8% (National benchmark is 75%)
- **Fellowship**
 - Evidence-based program to support experienced nurses as they transition to specialty practice areas
 - 22 Fellowship tracks including an RN Refresh to Acute Care
 - Graduated 279 Nurse Fellows since August 2021. FY24 goal is to hire 240 RN Fellows
- **Float Pool**
 - Hiring experienced nurses with a minimum of two years of experience in their specialty area
 - Nurses will float to every hospital within their area of specialty
 - Dedicated MHS employed float pool acclimated with Memorial culture
 - Provides MHS flexibility in nursing workforce to accommodate to variable volumes
 - Currently hired 103 nurses and continuing to fill additional open positions



Volume Growth – Admissions and Observation Discharges



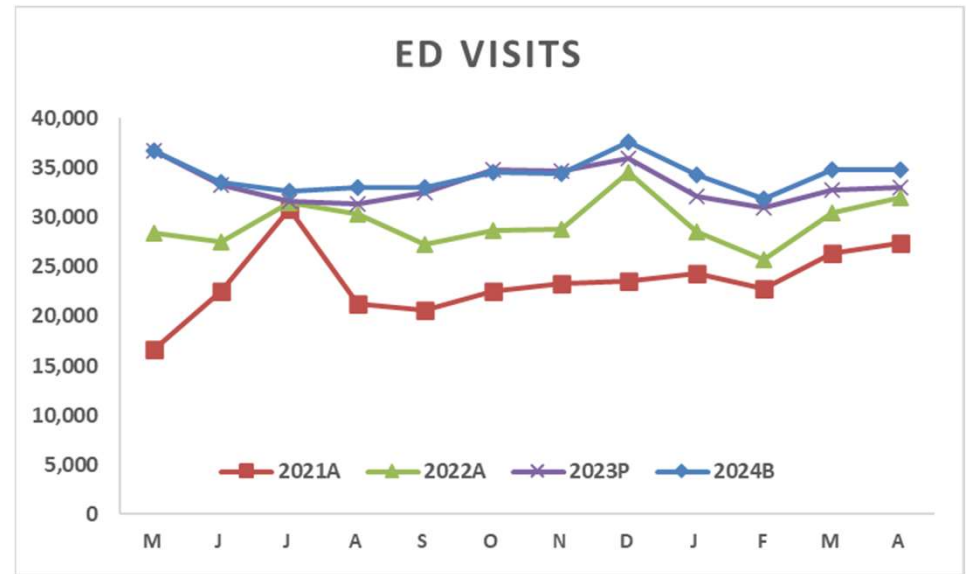
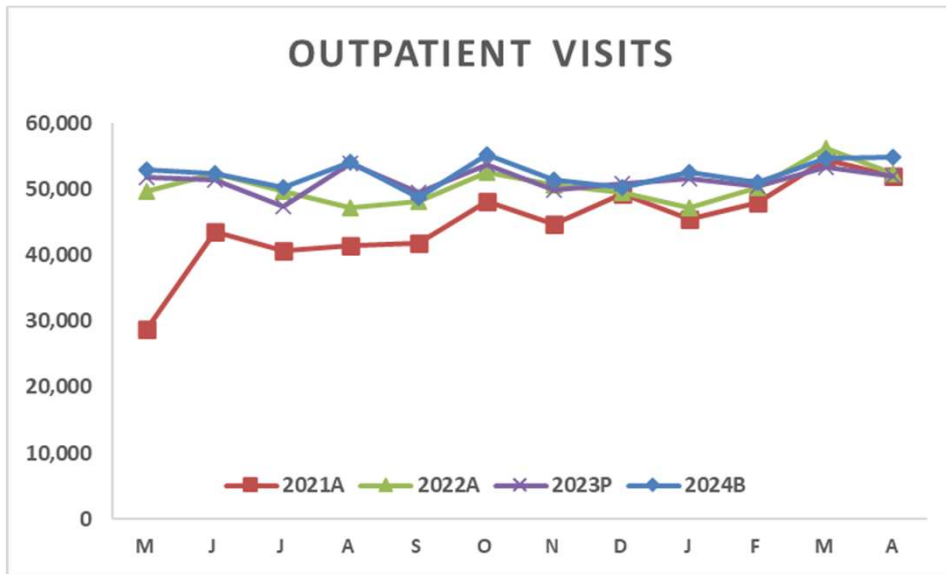
	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	72,331	66,876	75,446	76,242	78,936	3.5%

	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	53,224	34,396	32,853	40,005	39,363	-1.6%

* Pre-COVID Volumes



Volume Growth – Outpatient and ED Visits



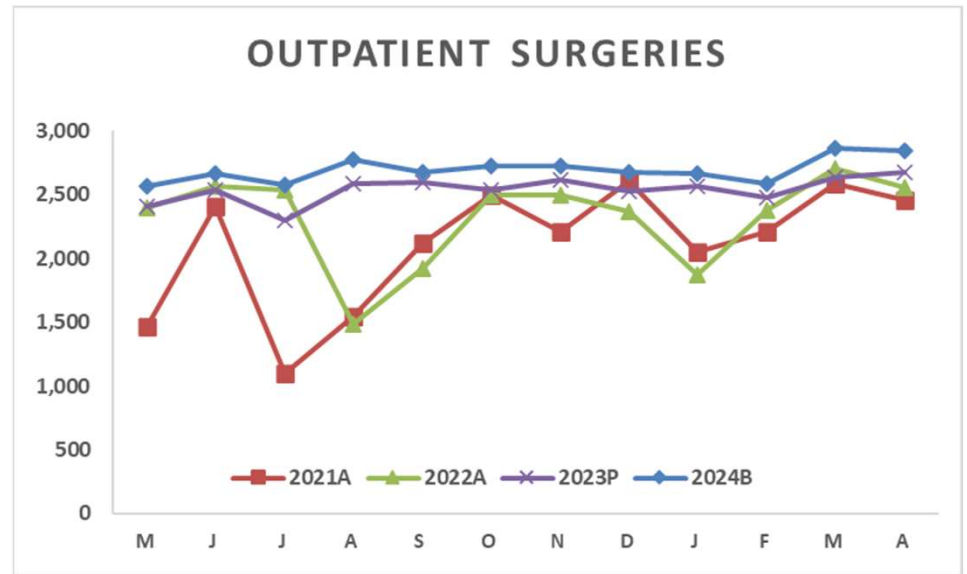
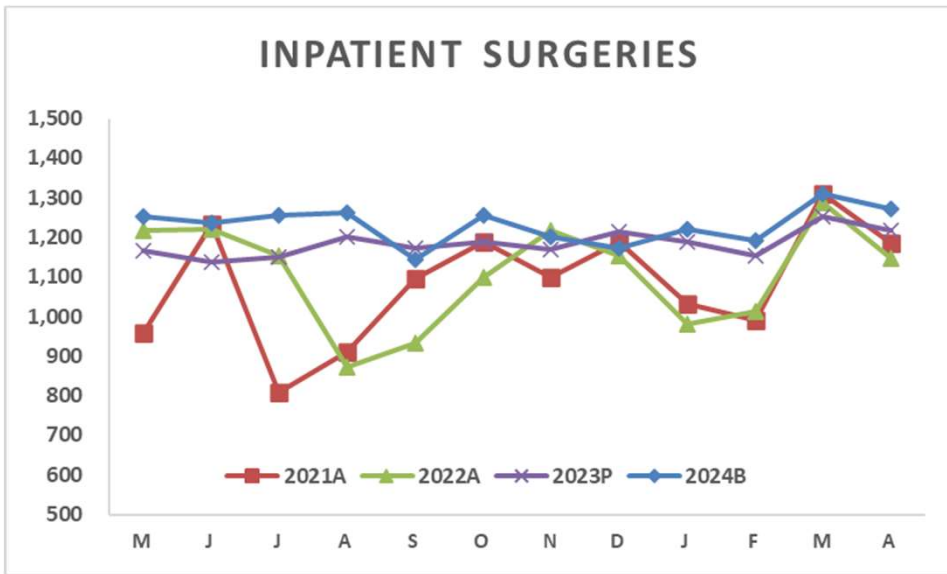
	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	561,419	538,262	605,590	615,408	628,228	2.1%

	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	395,964	282,295	353,966	399,899	411,288	2.8%

* Pre-COVID Volumes



Volume Growth – Surgeries



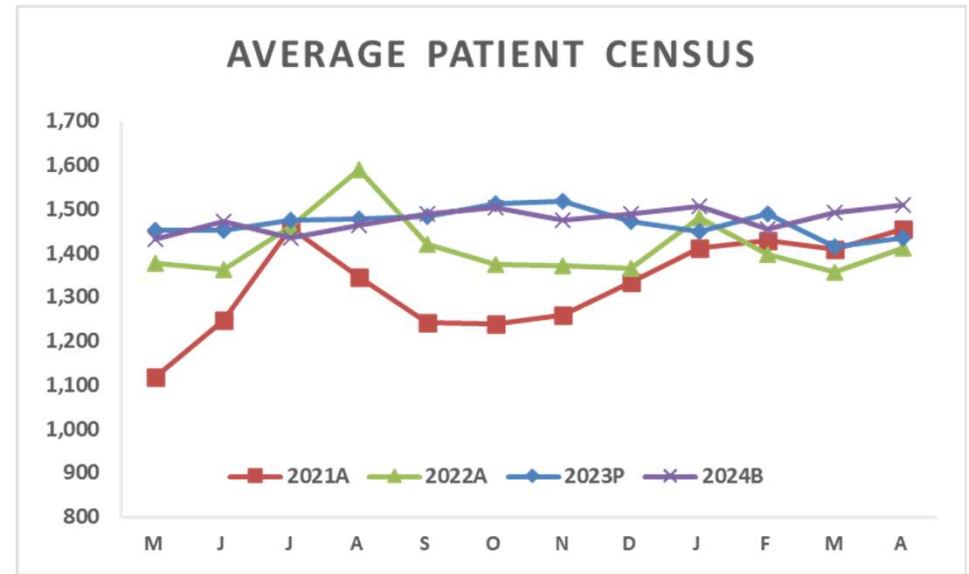
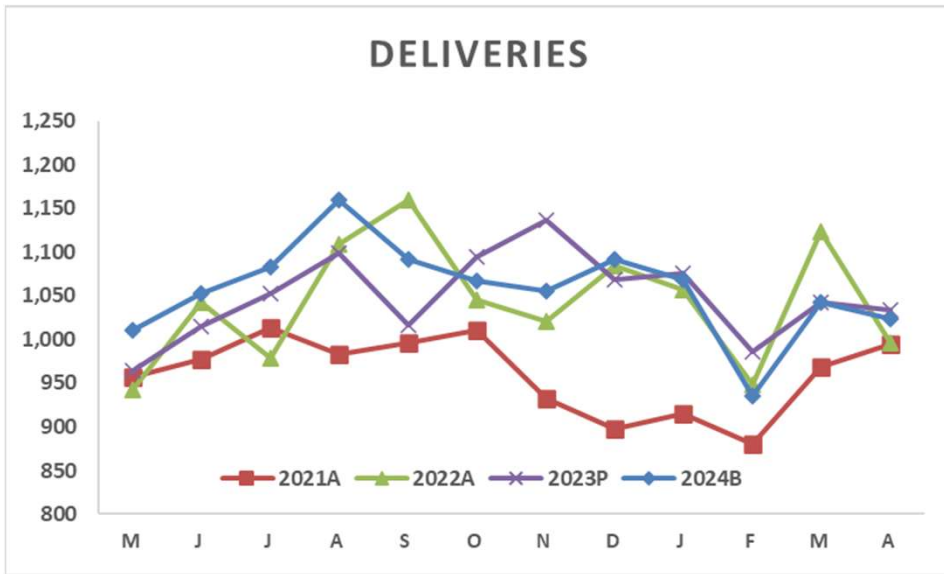
	2019A*	2021A	2022A	2023P	2024B	vs 2023P
Total Year	15,100	13,000	13,292	14,209	14,776	4.0%

	2019A*	2021A	2022A	2023P	2024B	vs 2023P
Total Year	29,936	25,262	27,784	30,479	32,346	6.1%

* Pre-COVID Volumes



Volume Growth – Deliveries and Average Patient Census



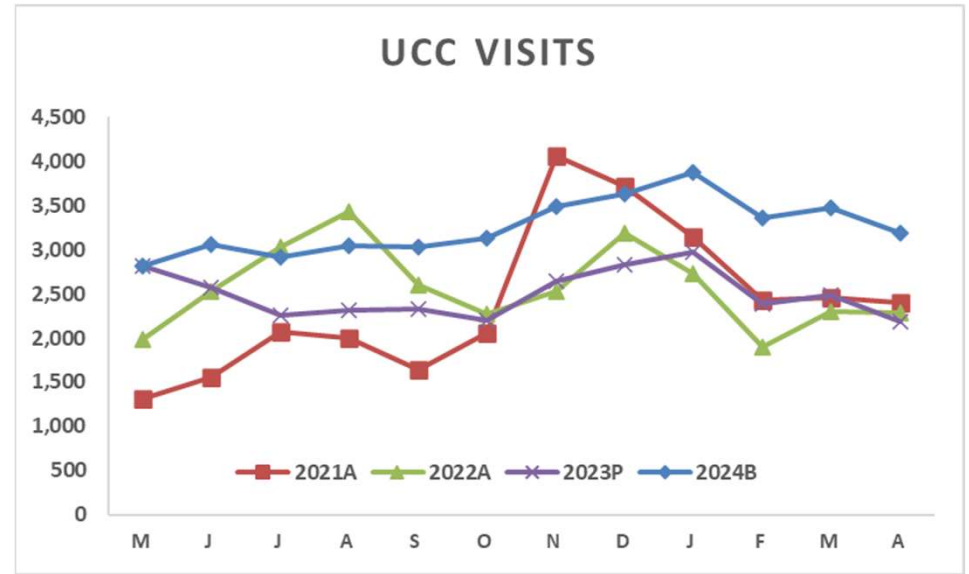
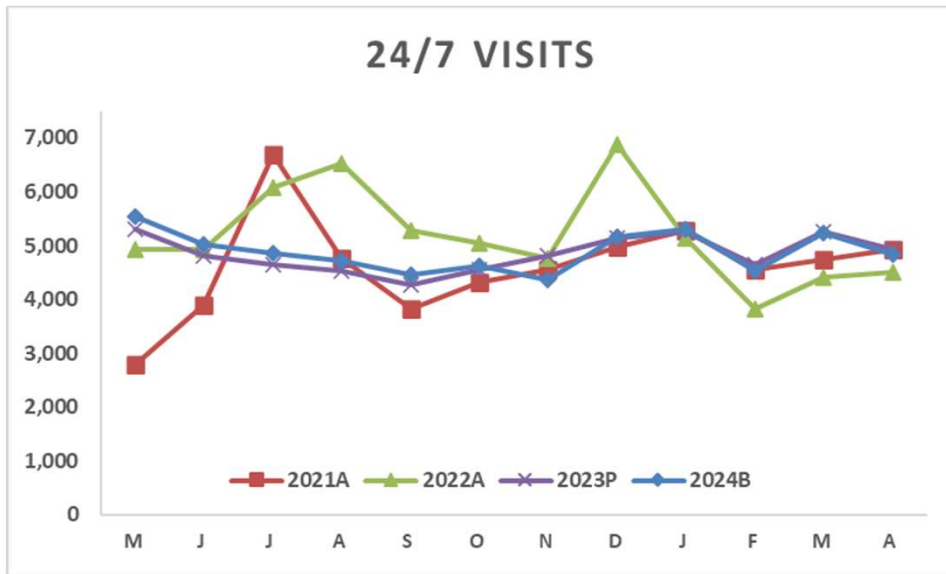
	2019A*	2021A	2022A	2023P	2024B	vs 2023P
Total Year	12,962	11,527	12,507	12,581	12,684	0.8%

	2019A*	2021A	2022A	2023P	2024B	vs 2023P
Total Year	1,324	1,328	1,414	1,469	1,476	0.5%

* Pre-COVID Volumes



Volume Growth – 24/7 and UCC visits



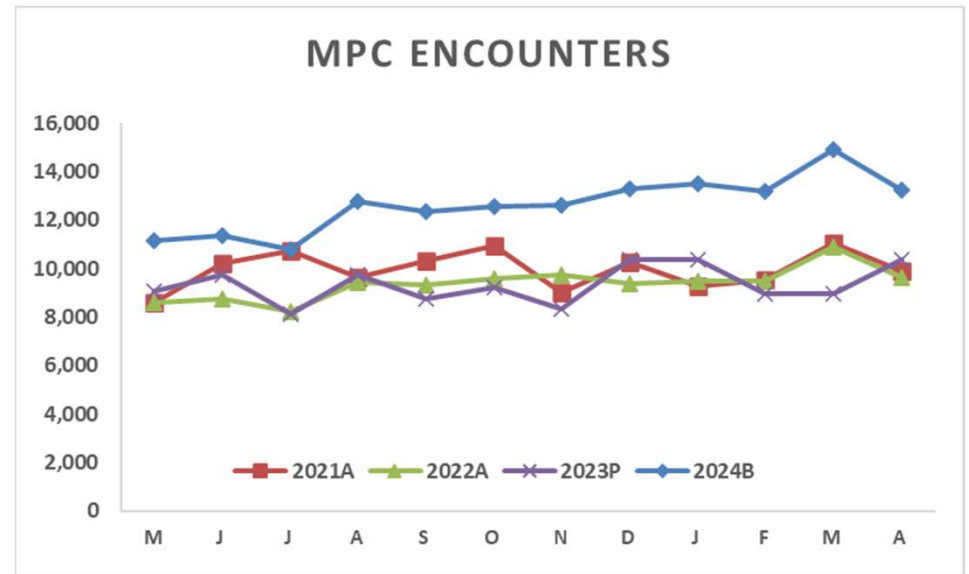
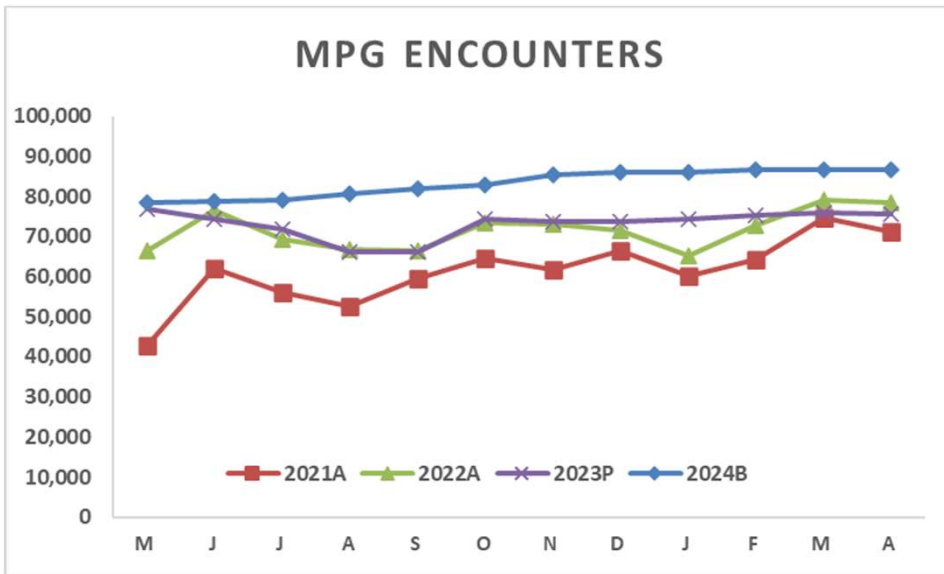
	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	68,492	55,276	62,329	58,166	58,659	0.8%

	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	14,014	28,855	30,758	29,978	38,990	30.1%

* Pre-COVID Volumes



Volume Growth – Physicians



	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	732,635	735,967	858,516	878,338	998,364	13.7%

	<u>2019A*</u>	<u>2021A</u>	<u>2022A</u>	<u>2023P</u>	<u>2024B</u>	<u>vs 2023P</u>
Total Year	109,100	119,557	112,620	112,042	151,740	35.4%

* Pre-COVID Volumes



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Key Financial Results

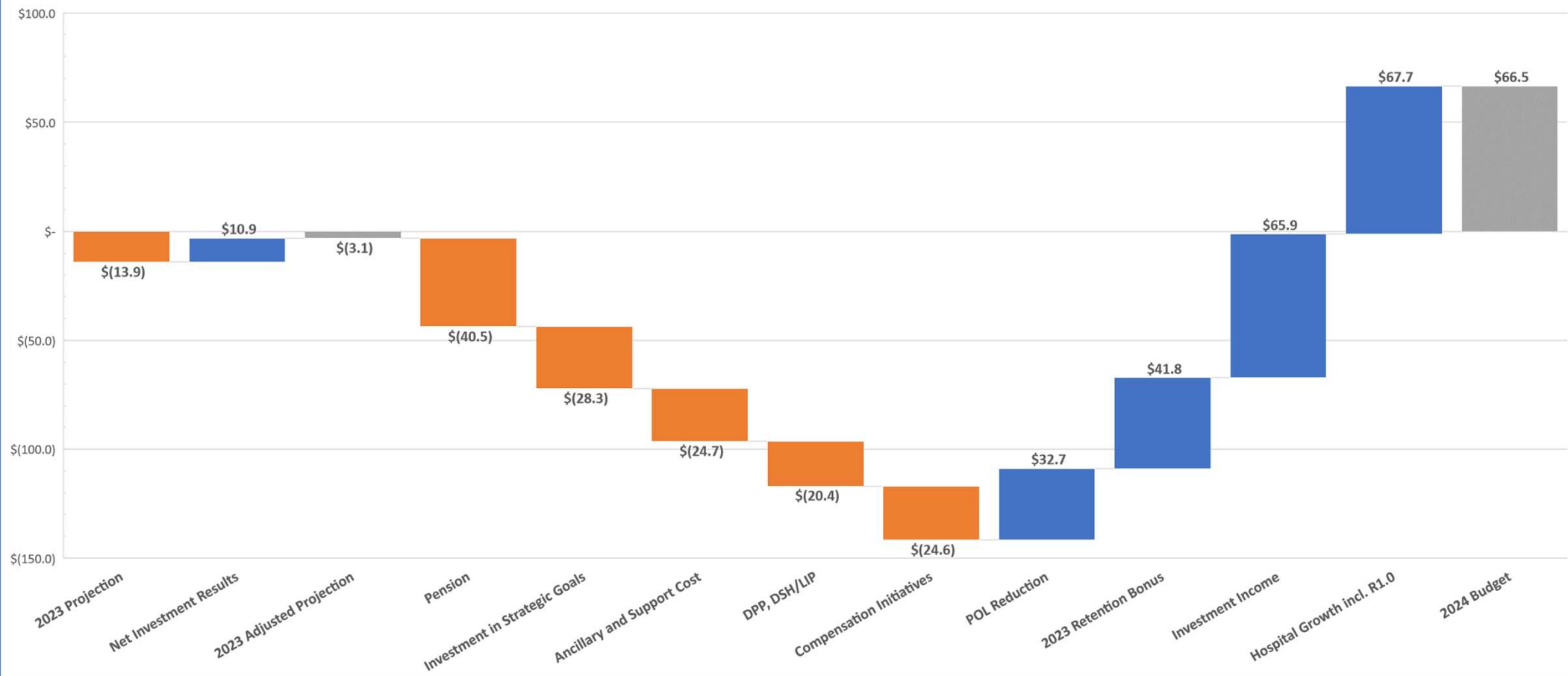
(\$ millions)

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023
Net Revenues	\$ 2,875	\$ 3,058	\$ 183
Total Operating Expenses	2,852	3,032	179
Income from Operations	23	27	4
Non-Operating Income/(Loss)	(36)	40	76
Excess of Revenues over Expenses	(14)	67	80
Adjusted EBIDA	206	222	15
Capital Expenditures	280	325	45

- ✓ **Income from operations** for FY2024 includes growth within capacity, reductions in agency pay and incentive spent, strategic initiatives and IT digital investments
- ✓ **Non-operating loss** in FY2023 includes unrealized investment portfolio losses



FY2023 to FY2024 Waterfall: Bottom Line Change Excess of Revenues over Expenses (\$ millions)





Operating Expenses

\$ millions

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023	FY2024 vs. FY2023	
Salaries & Wages	\$ 1,432	\$ 1,477	\$ 46	3%	- Compensation, reduction in incentive pay and retention bonus
Employee Benefits	189	250	60	32%	- Pension requirements, FTE growth and health plan inflation
Professional Fees	67	79	12	18%	- Physician fees due to utilization
Supplies Expense	563	614	52	9%	- Outpatient Pharmacy drugs due to volume and inflation - Surgical supplies and implants due to volume and inflation
Purchased Services	302	292	(11)	-4%	- Lower travelers utilization, partially offset by IT Services
Facilities Expense	79	89	9	12%	- Increase in service contracts, repairs and maintenance, and electricity
Depreciation & Amortization	108	123	15	14%	- Incremental depreciation for capital expenditures
Other Operating Expense	112	108	(4)	-4%	- AHCA fees, shared savings, business insurance, Reimagine 1.0
Total Operating Expense	\$ 2,852	\$ 3,032	\$ 179	6%	

Incremental operating expense reflects volume growth and inflation factors



Salaries & Wages Expense

\$ millions

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023	FY2024 vs. FY2023	
Regular	\$ 1,119	\$ 1,179	\$ 60	5%	- Compensation and retention initiatives - FTE and physician growth to accomplish strategic initiatives
Paid Leave	176	179	3	2%	- FTE growth and impact of compensation initiatives
Overtime	71	57	(14)	-20%	- Increased hiring and labor initiatives resulting in less overtime needed
Differential	36	36	(0)	0%	
Weekend Differential	10	10	(0)	0%	
Physician Director Fees	6	5	(1)	-11%	- Lower physician fees
Other	13	11	(2)	-18%	- Fewer employees called-in for additional shifts
Salaries & Wages	\$ 1,432	\$ 1,477	\$ 46	3%	



Employee Benefits Expense

\$ millions

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023	FY2024 vs. FY2023	
Pension, 401A and TSA Match	\$ 44	\$ 89	\$ 45	103%	- Based on market asset performance in FY2022
FICA	98	107	9	9%	- Growth in FTEs and higher salaries
Medical, Dental and Vision	39	45	6	16%	- Increase in FTEs plus plan inflation
Scholarships and Tuition Reimbursement	4	3	(1)	-21%	- Based on scholarship programs
Other	5	6	1	20%	- Growth in FTEs and salaries
Employee Benefits Expense	\$ 189	\$ 250	\$ 60	32%	



Supplies Expense

\$ millions

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023	FY2024 vs. FY2023	
Drugs	\$ 264	\$ 281	\$ 17	6%	- Increase in patient volume and 4% inflation
Medical Surgical Supplies	122	126	4	4%	- Increase in admissions, visits, surgeries and 3% inflation
Implants	71	73	3	4%	- Increase in surgeries and 1% inflation
General Supplies, Small Equipment, Food	38	41	3	8%	- Increase in patient volume and inflation
Lab Reagents	28	31	3	11%	- Volume and 3% inflation
Drugs - External Contract Pharmacy	0	18	18	100%	- New External Contract Pharmacy department
Blood	13	14	1	6%	- Growth in cardiac surgery program and volume
Endomechanicals, Robotics Supplies	14	15	1	10%	- Increase in surgeries and inflation
Organ Acquisitions Expense	5	6	2	33%	- Growth in Memorial Transplant Institute kidney transplants
Other	8	8	(0)	-3%	
Supplies Expense	\$ 563	\$ 614	\$ 52	9%	



Purchased Services Expense

\$ millions

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023	FY2024 vs. FY2023	
Purchased Outside Labor	\$ 112	\$ 79	\$ (33)	-29%	- Decreased agency labor rates and lower use due to increased hiring
IT Services	37	36	(1)	-3%	
Technical Imaging Services	20	23	4	18%	- New imaging centers and service agreements
Laundry, Cleaning, Garbage Removal	19	19	0	2%	
Security Services	15	18	2	16%	- Continued expanding security and safety
Reference Lab	12	14	2	13%	- Growth in kidney transplants and cardiac surgery program
Cloud Services	4	12	8	186%	- Cloud Services migration and optimization
Dispensing Fees	0	4	4	100%	- Related to the new External Contract Pharmacy department
Dialysis Services	4	4	0	5%	
Perfusion Services	3	4	1	24%	- Growth in cardiac surgery program
Other	76	79	3	4%	- Inflation and volume increase
Purchased Services	\$ 302	\$ 292	\$ (11)	-4%	



Cash Sources and Uses

(\$ millions)

	FY2023 Projection	FY2024 Budget
Adjusted EBIDA	\$206	\$222
Grants and Foundation Funding	10	15
Bond Funding	83	-
Total Cash Sources	299	237
Capital Expenditures	(280)	(325)
Debt Service (interest & principal)	(44)	(44)
Total Cash Uses	(324)	(369)
Net Cash Increase (Decrease)	(24)	(132)
Ending Cash & Investment Balance	\$ 2,527	\$2,395
Days Cash on Hand	336	301

✓ Days cash on hand decreases to 301 days which remains in line with current median of 300 Days for Aa3/AA equivalent rated peers



Proposed Capital Budget

Capital Budget Scenarios

2024 Major Projects

- MRH family birthplace & master plan
- MCI West campus expansion
- Workday ERP
- IT infrastructure

2024 Routine Capital

- Medical bed replacements
- System-wide Philips monitor replacements
- IT routine capital

Project Capital by Entity	Capital Budget Scenarios						
	FY2022	FY2023	FY2024	FY2025+	Max	Mid	Min
MRH	\$ 23,750	\$ 31,276	\$ 78,799	\$ 831,607	\$ 78,799	\$ 75,799	\$ 73,799
MCI	19,235	55,073	55,943	5,180	55,943	54,943	54,943
IT Capital	10,968	43,713	43,791	2,838	43,791	35,791	33,791
MHW	11,646	7,519	20,524	326,131	20,525	20,525	10,525
MPG	709	4,184	19,691	15,493	19,691	16,691	14,691
MHP	3,077	71,661	17,757	72,472	17,757	14,757	14,757
MRHS	7,313	8,058	16,569	28,714	16,569	16,569	9,569
MPM	4,384	2,577	11,343	-	11,343	10,343	6,343
MHM	12,265	7,407	8,538	205,592	8,538	7,538	5,538
MPC	411	3,664	8,032	-	8,032	7,032	7,032
JDCH	58,309	76,973	5,244	35,375	5,244	3,244	3,244
SP	484	189	2,304	-	2,304	(0)	(0)
MMNH	149	107	970	8,160	970	970	970
OTHER	2,605	2,355	1,843	500	1,843	0	0
Project and IT Total	\$ 155,306	\$ 314,756	\$ 291,349	\$ 1,532,062	\$ 291,349	\$ 264,202	\$ 235,202
Strategic Initiatives	-	12,000	12,000	48,000	12,000	12,000	12,000
Capital Reserve - MHS	-	12,000	12,000	48,000	12,000	12,000	12,000
Total Routine Capital	24,508	34,071	32,278	99,457	32,278	32,278	32,278
FEMA Grants	-	-	(7,200)	(7,100)	(7,200)	(7,200)	(7,200)
Bond Funding	-	(83,000)	-	-	-	-	-
MHS & JDCH Foundations	(10,000)	(10,000)	(15,000)	(30,000)	(15,000)	(15,000)	(15,000)
Total Capital	\$ 169,814	\$ 279,827	\$ 325,427	\$ 1,690,419	\$ 325,426	\$ 298,279	\$ 269,279

Board Approved Capital \$ 316,104 \$ 390,641

Please refer to page 4 of the Annual Budget FY2024 book, Operating and Capital Budget tab, for more detail



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SYSTEM STRATEGIC PLAN

In order to be successful in the future, Memorial must be the preferred partner for payers, providers, employers and consumers

 <p>Value-Based Care</p> <p><i>Become the Tri-County Leader in Value-Based Care Delivery</i></p>	 <p>Primary Care</p> <p><i>Broaden and Tighten Primary Care Alignment</i></p>	 <p>New Market & Ambulatory Growth</p> <p><i>Reach More Lives Across a Broader Region</i></p>	 <p>Consumer Focus</p> <p><i>Become More Consumer Centered</i></p>	 <p>Service Line Elevation</p> <p><i>Become the Leading Destination Care Center for the Region</i></p>	 <p>Cost</p> <p><i>Reduce the Total Cost of Care and Improve Affordability for Our Community</i></p>
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 **MHS Pillars of Excellence**
Maintain foundational commitment to drive strategic initiatives
Safety, Quality, Service, People, Finance, Growth and Community



Physician & Staff Engagement

Enhance & deepen engagement with physicians & staff to champion strategic initiatives



Key Performance Metrics

Ongoing tracking & reporting on key performance indicators



STRATEGIC PORTFOLIO



Value-Based

Value-Based Platform

- Health Equity
- CMS Care Bundles
- Business Model & Growth
- Transitions of Care
- Risk Coding & Documentation
- Social Determinants of Health – Phase III
- Remote Patient Monitoring Pilot
- Memorial Assurance Plan
- Medicare Advantage Plan
- Care Coordination Center
- Orthopedic CIN



Primary Care

Critical Mass

- Broward Guardian
- Primary Care Expansion
- Select Practice Valuations
- Telehealth Chronic Conditions RPM
- MPC COVID-19 Practice



New Market & Ambulatory Growth

Expansion Opportunities

- Cypress Creek
- MHM Children’s Pavilion
- MCI Outpatient Expansion
- NWMD Ambulatory Expansion
- South Broward Ambulatory Expansion
- 24/7 Care Center

Partnerships

- NBHD/SBHD – JDCH, Sunrise Facility
- FAU
- Broward College
- FIU, NSU
- Boston Children’s Hospital
- Imaging Expansion (Solis Mammography)
- OP rehab in-home
- Neighborhood Hospitals



Consumer Focus

Access To Care

- Patient Access Center
- Virtual Expansion
- Virtual Patient Observation Pilot
- Comprehensive Digital Strategy
- Complete Website Re-design
- Consumer Chat Bots



Service Line Elevation

Breadth of Services

- MCI Strategic Plan
- OB Plan
- MNI Strategic Plan (implementation)
- MCVI Strategic Plan (implementation)
- Behavioral Health Plan (implementation)
- MRI Plan (implementation)
- GME Program Expansion
- JDCH Enterprise Strategic Plan
- MRH Expansion
- Ortho Service Line Management
- Innovation Center

Safety

- Leapfrog & CMS Related Safety Initiatives



Cost

Affordable Solutions

- Network Expansion
- Freestanding Sites of Service
- Health Care District of Palm Beach Co.
- Community Connect
- Reimagine 1.0

Acute Care Chassis

- Hospital Identities
- Service Distribution
- Long Term Care

Key:

Under Review/Assessment

In-Progress

Operational



Investment in Strategic Goals

(\$ millions)

	FY2024	
	Incremental Operating Cost	Incremental Capital Cost
Memorial Physician Group	\$ 6.3	\$ 19.7
MPC Expansion	5.8	8.0
Enterprise Resource Planning System	5.4	23.3
Patient Access Center	3.9	1.7
MHS Float Pool	2.1	-
Care Coordination Center	1.7	0.6
Innovation Center	1.5	-
Other Digital Investments	1.6	18.1
OB Capital	-	60.9
MCI Expansion	-	55.9
MRH Master Plan	-	9.0
Other Strategic Goals	-	12.0
Total Investments	\$ 28.3	\$ 209.2

- ✓ Investments are consistent with the execution of our Strategic Goals
- ✓ Budgeting an additional \$12M for Strategic Goals that are still being prioritized and quantified



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Projected Tax Budget

(\$ millions)

	FY2023 Projection	FY2024 Budget	FY2024 vs. FY2023
Millage Rate (in mils)	0.1010	0.0995	-0.0015
Gross Tax Revenues	\$7.5	\$7.7	\$0.2
Less: Collection Costs	0.2	0.2	0.0
Net Tax Receipts	\$7.3	\$7.5	\$0.2
Less: Governmental pass-through payments	7.3	7.5	0.2
Available for Uncompensated Care	0.0	0.0	0.0

- ✓ Taxes are budgeted at break-even with governmental pass-through payments and collection costs
- ✓ The Board of Commissioners will have the opportunity to set the millage rate during the Florida Department of Revenue **Truth in Millage** (TRIM) process



Projected Tax Budget

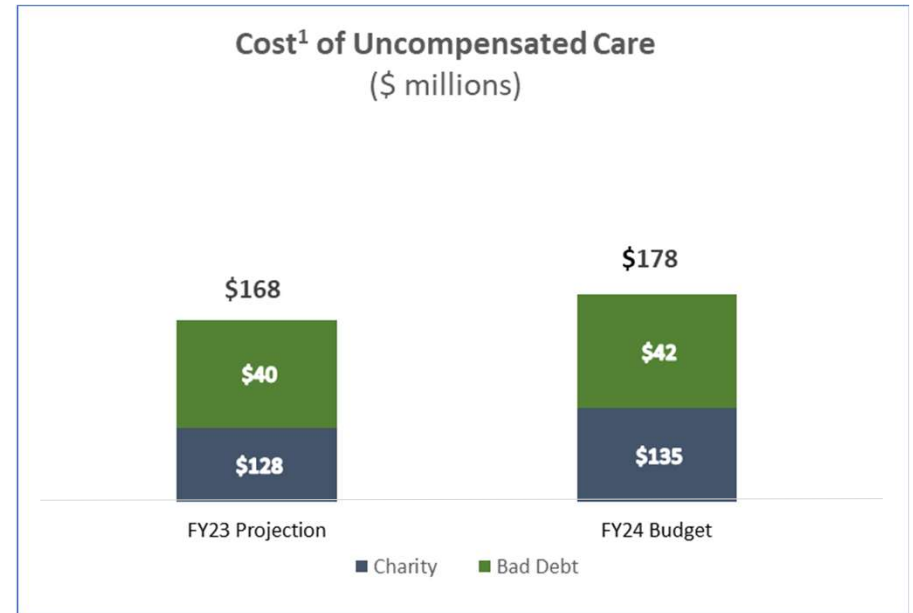
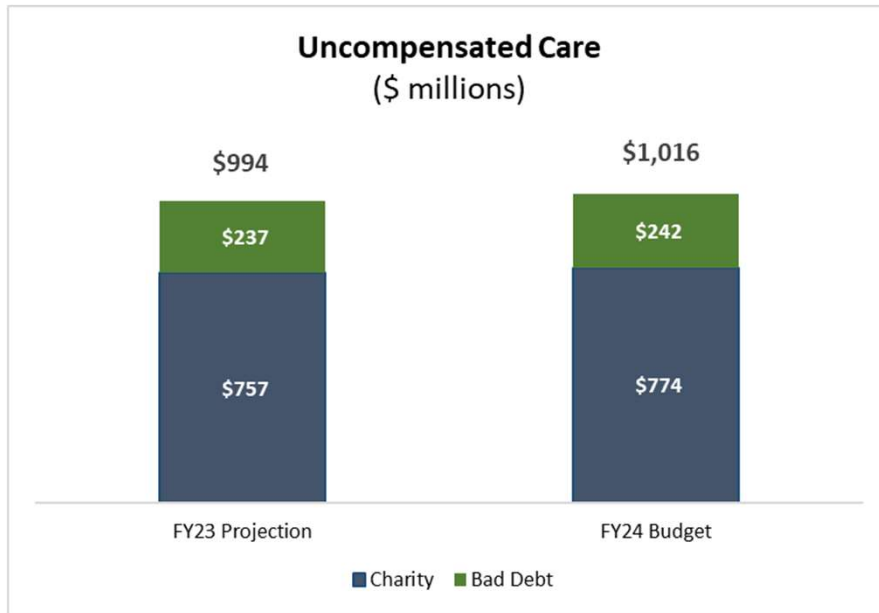
Voting Requirements for Millage Rates

Projected Assessed Valuation (Th.) \$ 77,554,448

<u>Vote Type</u>	<u>Millage</u>		<u>Taxes Levied (Th.)</u>	
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
Simple Majority Vote	0.0000	2.2310	\$ 0	\$ 173,024
Two-Thirds Majority Vote	2.2311	2.4541	\$ 173,025	\$ 190,326
Unanimous Vote or Referendum	2.4542	2.5000	\$ 190,327	\$ 193,886
<hr/>				
Projected Break Even Rate		0.0995	\$	7,717



Uncompensated Care



Increased cost of care and higher number of uninsured patients translating into higher charity and bad debt

¹The cost of uncompensated care is calculated by applying a cost of care factor (i.e., Total Operating Expenses as a percentage of Total Gross Patient Revenue) to charity and bad debt charges



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Memorial Regional Hospital - Key Priorities

- **Patient Flow & Capacity**
 - Throughput & LOS initiatives
 - Case management optimization and staffing
- **Quality, Safety, Patient Experience**
 - Leapfrog and CMS ratings
- **Service Line Development**
 - Continued growth of tertiary and quaternary services
 - High-Risk Obstetric Services and MFM expansion
 - Memorial Transplant Institute
 - Neuroscience Institute
 - Behavioral Health
- **Facility/Infrastructure Improvements**
 - Master Plan – expanded capacity and OR replacements
 - Obstetrics – 4th floor renovation
 - Emergency Department and Trauma Bays
 - Interventional Radiology Replacement
 - Modernize Elevators

Growth Rates	FY2024 Budget
Admissions	0.2%
Obs. Discharges	0.0%
Deliveries	0.7%
Outpatient Visits	1.6%
ED Visits	0.9%
Cardiac Surgeries	4.4%
IP Surgeries ¹	3.1%
OP Surgeries ¹	3.4%
Net Revenue	5.1%
Operating Expenses	5.3%

\$ Millions	
Net Excess (Deficit)	\$9.1
EBIDA	\$42.3

¹Excluding cardiac surgeries



Joe DiMaggio Children’s Hospital - Key Priorities

- **Patient Flow and Capacity**
 - Optimize Operations/Infrastructure Changes in 4-Story Expansion
- **Quality, Safety and Patient Experience**
 - Expand Quality Infrastructure, Capabilities and Initiatives
 - Nursing Magnet Journey & Professional Development Programs
 - Clinical Documentation Integrity & Related Programs
- **Service Line Development**
 - Surgical Services, Tertiary/Quaternary Programs & OP Diagnostics growth
 - Expand Center for Complex Care, Fetal Care & Transitional Programs
 - Develop Local and National JDCH Partners Network (Boston Children’s Hospital, Broward Health)
- **Facility/Infrastructure Improvements and Other**
 - Campus Master Plan
 - Philanthropy Plan
 - Community Outreach Plan
 - Complete FY25+ Strategic Plan for JDCH/Pediatric Enterprise & County-Wide System of Care for Children

	FY2024
Growth Rates	Budget
Admissions	2.9%
Obs Discharges	4.9%
Outpatient Visits	-3.1%
ED Visits	5.1%
Cardiac Surgeries	6.0%
IP Surgeries ¹	8.8%
OP Surgeries ¹	4.3%
Net Revenue	10.6%
Operating Expenses	8.7%

\$ Millions	
Net Excess (Deficit)	\$46.0
EBIDA	\$67.0

¹Excluding cardiac surgeries



Memorial Regional Hospital South – Key Priorities

- **Service Line Development**
 - Acute rehab admissions for Neuro and Stroke patients
 - Expand PM&R consult service to MHW
 - Interventional pain PM&R program growth & expansion to MHW
 - Podiatric surgical growth

- **Facility/Infrastructure Improvements**
 - Hurricane hardening project completion Q2
 - OR electrical upgrade completion Q2

	FY2024
Growth Rates	Budget
Total Admissions	3.3%
Rehab Admissions	5.9%
Obs Discharges	2.6%
Outpatient Visits	4.0%
ED Visits	3.8%
IP Surgeries	4.2%
OP Surgeries	7.8%
Net Revenue	5.5%
Operating Expenses	7.1%
\$ Millions	
Net Excess (Deficit)	(\$10.3)
EBIDA	(\$3.5)



Memorial Hospital West - Key Priorities

- **Patient Flow & Capacity**
 - Throughput & LOS initiatives
 - Centralized Transportation Dept
- **Service Line Development**
 - MCI New OP Building
 - MCI Radiation Oncologist Physician Employment
 - Moffitt partnership
 - Level III NICU
 - Solis collaboration
 - Joint Replacement Center of Excellence, HOPCO collaboration
 - Memorial Cardiac & Vascular Institute
 - Memorial Cancer Institute
 - Memorial Neuroscience Institute
- **Facility/Infrastructure Improvements**
 - Family Birthplace
 - Master Site Planning

	FY2024
Growth Rates	Budget
Admissions	8.8%
Obs Discharges	-9.7%
Outpatient Visits	3.3%
ED Visits	3.6%
IP Surgeries	4.2%
OP Surgeries	4.2%
Deliveries	1.2%
Net Revenue	6.5%
Operating Expenses	5.9%

\$ Millions	
Net Excess (Deficit)	\$52.9
EBIDA	\$87.6



Memorial Hospital Pembroke - Key Priorities

- **Patient Flow & Capacity**
 - Support transfers to MHP from IP and EDs - decompressing other MHS facilities

- **Service Line Development**
 - Bariatric Surgery Center of Excellence
 - Hernia Center of Excellence
 - General & Acute Care Surgery
 - Endocrine Surgery
 - Robotic Surgery
 - MHS Outpatient Wound Care/Hyperbaric Center
 - Achieve Geriatric Emergency Department Accreditation

- **Facility/Infrastructure Improvements**
 - Complete planning and initiate construction of Douglas Road Free Standing Emergency Department building to replace 24/7 Care Center

	FY2024
Growth Rates	Budget
Admissions	2.3%
Obs Discharges	3.1%
Outpatient Visits	2.4%
ED Visits	1.0%
24/7 Visits	0.9%
IP Surgeries	3.0%
OP Surgeries	2.1%
Net Revenue	4.1%
Operating Expenses	1.9%

\$ Millions	
Net Excess (Deficit)	\$4.6
EBIDA	\$16.7



Memorial Hospital Miramar - Key Priorities

- **Patient Flow & Capacity**
 - MOB II Growth
 - Complete buildout Pediatric Special
 - Open ORs #3 & 4 of Surgical Center

- **Service Line Development**
 - Outpatient Services
 - Pediatric Strategy
 - Level III NICU
 - Obstetrics
 - Solis collaboration
 - Robotic Surgery
 - Adult Orthopedics

- **Facility/Infrastructure Improvements**
 - Family Birthplace
 - Interventional Radiology Replacement
 - Master Site Planning

Growth Rates	FY2024 Budget
Admissions	2.0%
Obs Discharges	1.7%
Outpatient Visits	3.4%
ED Visits	2.6%
IP Surgeries	1.4%
OP Surgeries	13.5%
Deliveries	0.6%
Net Revenue	6.5%
Operating Expenses	6.2%

\$ Millions	
Net Excess (Deficit)	\$40.9
EBIDA	\$52.7



Memorial Physician Group - Key Priorities

- **Patient Flow & Capacity**
 - Optimize the Advanced Practice Provider workforce to achieve key priorities including increased access to care, high quality, and timeliness of care
- **Service Line Development**
 - Adult Orthopedic Surgery
 - Vascular Surgery
 - Surgical Oncology and Endocrine/Thyroid Surgery
 - Adult and Pediatric Otolaryngology
 - Cardiology and Cardiac Imaging
 - Neurology
 - Urology
 - Pediatric General Surgery
 - Further development of new Service Line: Maternal Fetal Medicine
- **Facility/Infrastructure Improvements**
 - Further development of the Centralized Patient Access Center (IT collaboration)
 - Expand geographic footprint:
 - Miramar with adult orthopedics and pediatric specialties
 - Hollywood with U18/Peds Orthopedics
 - Miami with adult medical specialties

	FY2024
	Budget
Growth Rates	
Encounters	13.7%
Net Revenue	8.5%
Operating Exp	8.4%
\$ Millions	
Net Investment	(\$118.0)
EBIDA	(\$110.3)



Memorial Primary Care and Urgent Care Centers Key Priorities

- **Service Line Development & Facility/Infrastructure Improvements**
 - Expand geographic footprint for primary care medical services to:
 - Plantation
 - Weston
 - Miami
 - Further development of Sickle Cell Day Hospital
 - Create a patient centered medical home model for patients with this blood disorder
 - Dedicated medical director
 - Infusions and treatment to be administered in an outpatient setting which will divert patients from the emergency room
 - Expand Urgent Care Center services by opening 3rd UCC in Country Club of Miami

	FY2024 Budget
MPC Growth Rates	
Medical Encounters	35.4%
Net Revenue	-8.2%
Operating Exp	20.6%

\$ Millions	
Net Excess (Deficit)	(\$9.1)
EBIDA	(\$8.3)

	FY2024 Budget
UCC Growth Rates	
Visits per Day	30.1%
Net Revenue	32.6%
Operating Exp	42.8%

UCC (\$ Millions)	
Net Excess (Deficit)	(\$1.2)
EBIDA	(\$0.5)



Graduate Medical Education - Key Priorities

- **Service Line Development**

- Allergy and Immunology Fellowship beginning in July 2023
- GME Strategic Plan in Development
- By July of 2023, MHS will have 273 accredited residency spots
- Almost at our Board-approved 289 accredited spots, all within projected proformas
- Continue to grow academic reputation
 - For AY 2022-2023 MHS received over 13,000 applications for 96 GME spots, which is a 0.7% acceptance rate
- Graduates begin to enter fellowships and the workforce
- CMS audit to take place after September 2024

Academic Year	Number of Trainees	Number of Accredited Spots
2020 - 2021	126	185
2021 - 2022	167	245
2022 - 2023	229	269
2023 - 2024	251	273



Value-Based Care - Key Priorities

- **Care Coordination**
 - Care Transformation and redesign initiatives – PCP practice transformation
 - Expand High Performing Networks (SNF, HH, & Specialists)
 - Develop SNF Navigation for improved outcomes post-discharge
 - Remote Patient Monitoring expansion
- **Quality, Safety and Patient Experience**
 - Expand Consumer Engagement strategy – MyChart
 - Social Determinants of Health – SDOH Hub
- **Growth**
 - Broward Guardian and Memorial Health Network
 - Oscar | Memorial + Holy Cross Medicare Advantage
 - Oscar Health (Individual Exchange) attributed lives
 - Develop Direct-to-Employer arrangements – Memorial Health Assurance
 - Disease Management for Memorial Employee Health Plan

Commercial ACO	230,000
Medicare ACO	10,500
BPCI-A/CJR	2,500
Community Care Plan	130,000
Lives Under Management	373,000

Commercial Payor Partners:

- Memorial Employee Plan
- Florida Blue
- Florida Blue MA
- Oscar Health IFP
- Oscar + Memorial MA
- Cigna
- UnitedHealthcare





Information Technology - Key Priorities

- **Virtual Care**
 - MemorialDocNow via KeyCare
 - Remote Patient Monitoring (RPM) – Telemetrix
- **Consumer Engagement**
 - Epic Decision Trees/Online Appointments
 - Patient Access Center / Talkdesk / CRM
 - Virtual Agent - Appointment Confirmation, Re-Schedule; Cancellations; Password Resets
- **Innovation/Development**
 - Care Coordination Center (Command Center)/Patient Flow
 - Remote Safety Observer (Epic Monitor)
 - Memorial Cancer Institute
 - Population Health/Value-based Care Programs
- **Cloud Migration**
 - Epic Non-Production and Disaster Recovery to Public Cloud (Azure; AWS; Google)
- **Clinical Projects**
 - Epic Optimization
 - Echo Cardiac Reporting
- **Business Projects**
 - ERP (Lawson) Replacement with Workday
 - Data Analytics
- **Strategic Relationships**
 - Healthcare District of Palm Beach
 - Solis, Cardinal, HopCo, etc.
 - Broward Health
 - IT Shared Services
 - Epic Symphony
- **IT Security**
- **Technology**
 - Migration to Office 365



Conclusions

- ✓ Memorial Healthcare System continues to have a strong balance sheet that supports our ongoing financial viability (“AA” S&P credit rating)
- ✓ FY2024 will require investments in our people, infrastructure, and strategic initiatives
- ✓ Our primary focus remains our community, our patients, our employees and our taxpayers