



# Fiscal Year 2025 Financial Plan: Operating and Capital Budget

April 9, 2024



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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
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# 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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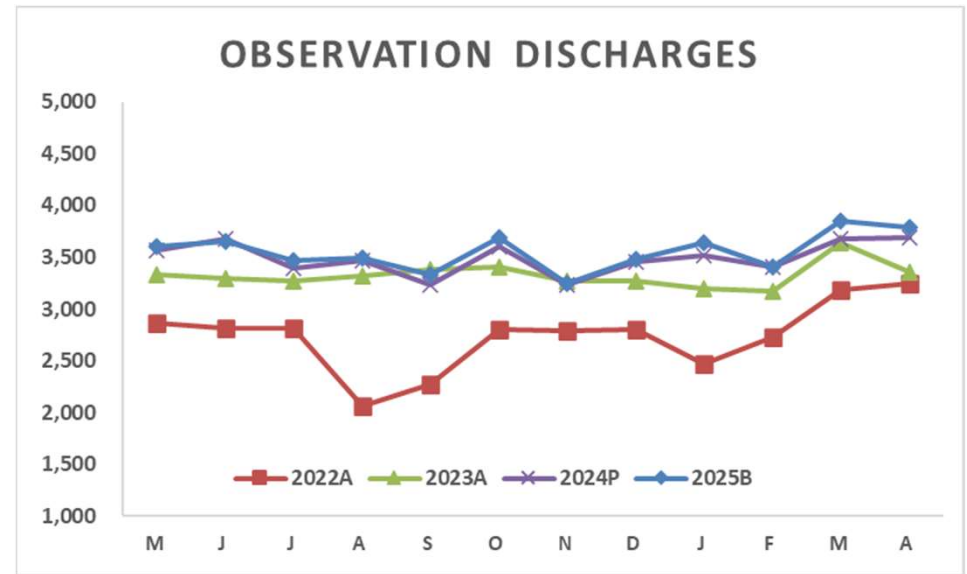
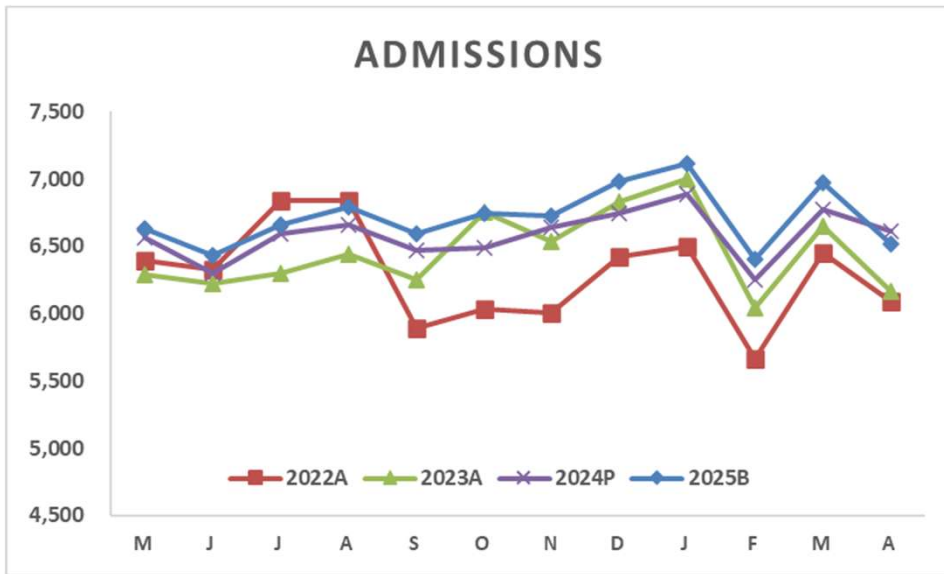


## FY2025 Budget Significant Assumptions

- Growing market attracting new competitors
- Record volumes and increased acuity creating capacity constraints
- Reimbursement rate pressures
- Reliance on supplemental funding
- Internal labor has stabilized due to continuous focus on recruitment and retention
- Minimal reliance on agency combined with incentive savings
- Increased technology and cloud migration focus
- Continuing investment in capital projects
- Development of updated strategic plan



# Volume Growth – Admissions and Observation Discharges

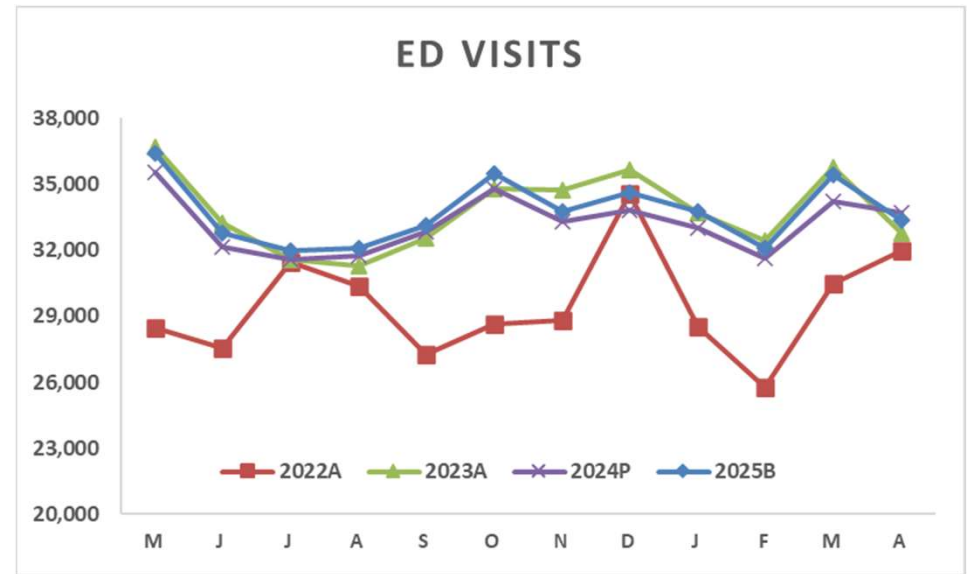
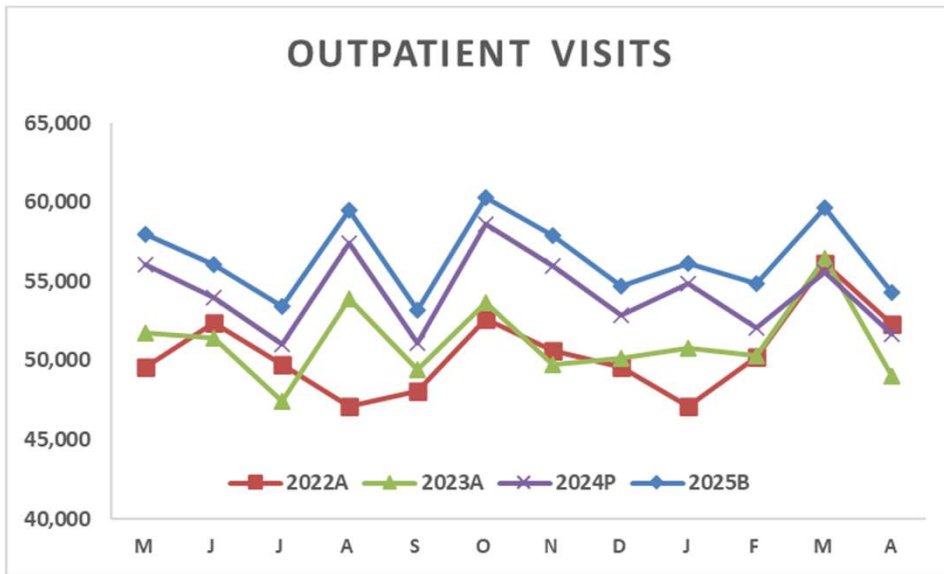


	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	75,446	77,482	78,965	80,564	2.0%

	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	32,853	39,920	41,921	42,692	1.8%



# Volume Growth – Outpatient and ED Visits

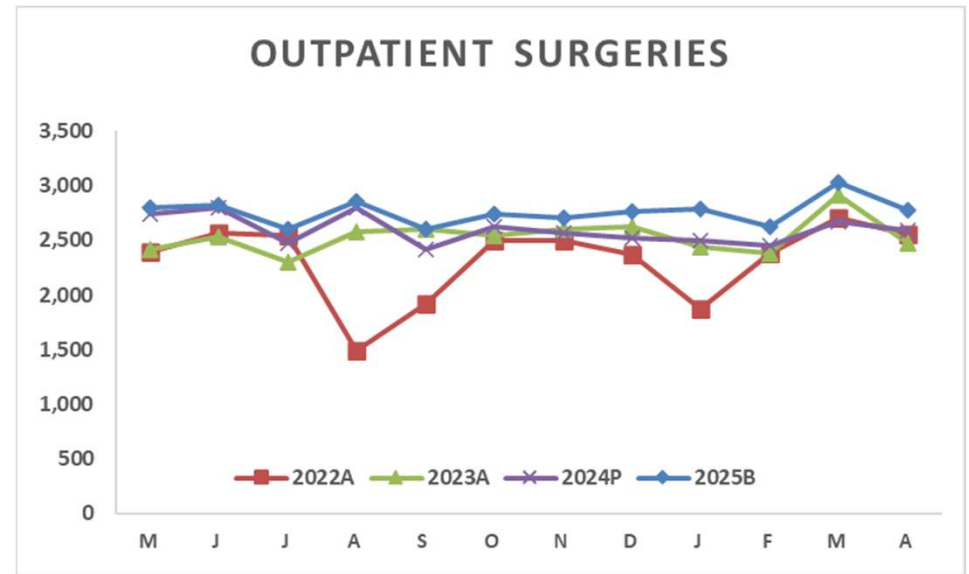
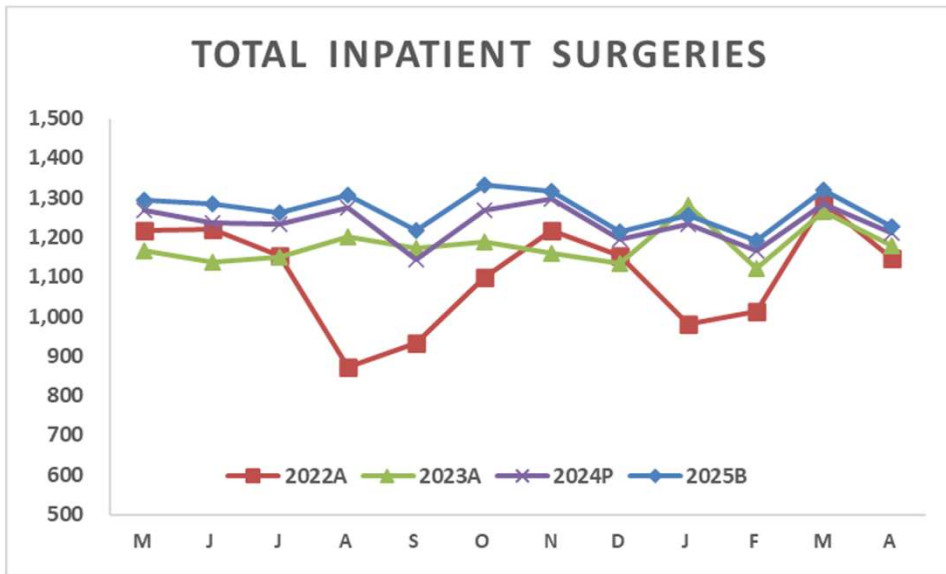


	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	605,590	614,106	651,284	678,090	4.1%

	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	353,966	405,235	398,387	404,887	1.6%



# Volume Growth – Surgeries



	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	13,292	14,151	14,808	15,221	2.8%

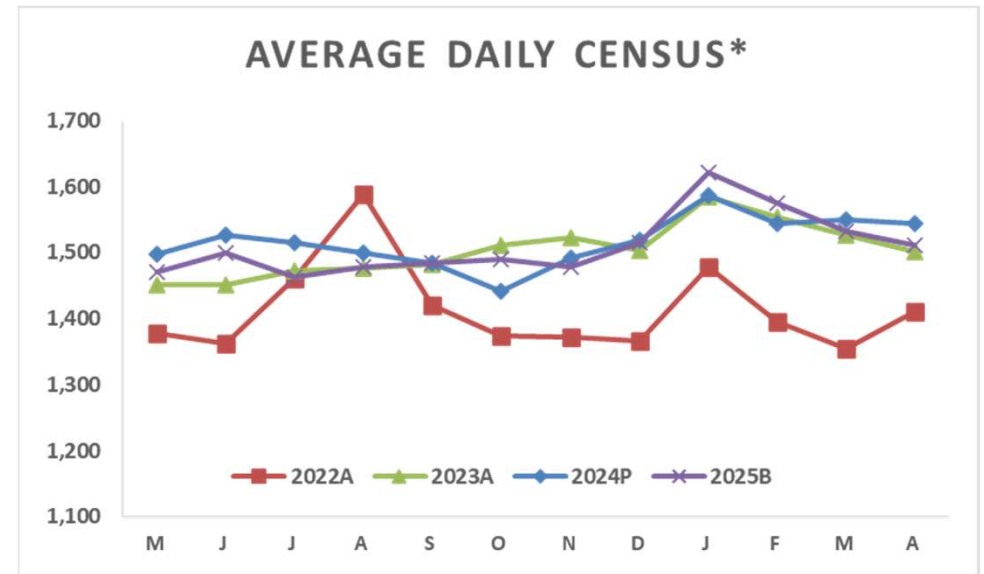
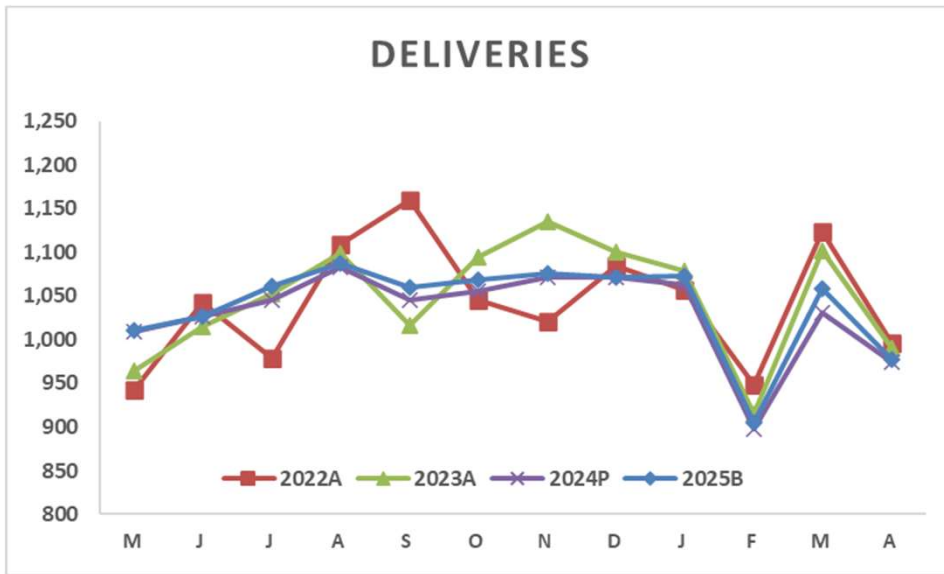
	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	27,784	30,425	31,163	33,110	6.2%

\*Total inpatient surgeries includes cardiac and non-cardiac surgeries





# Volume Growth – Deliveries and Average Patient Census



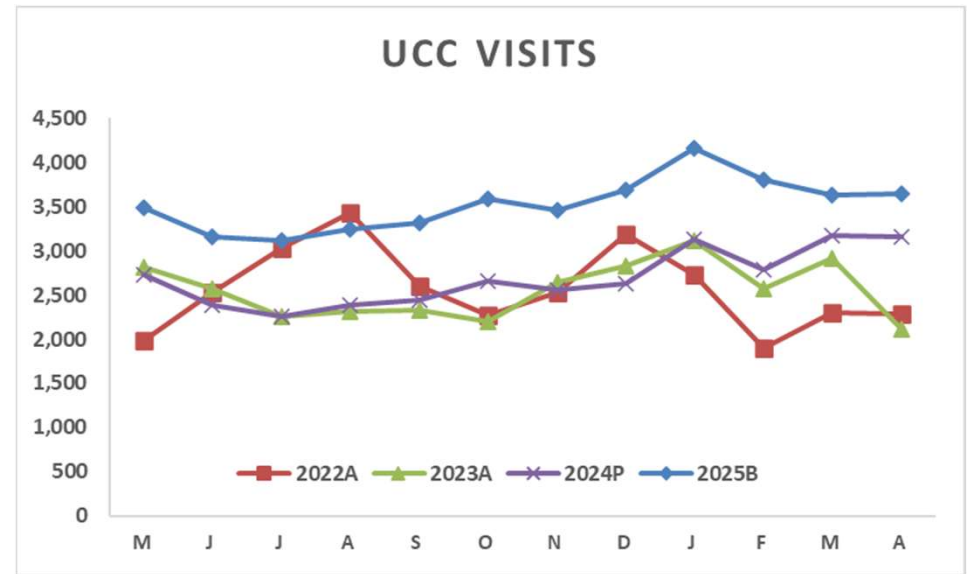
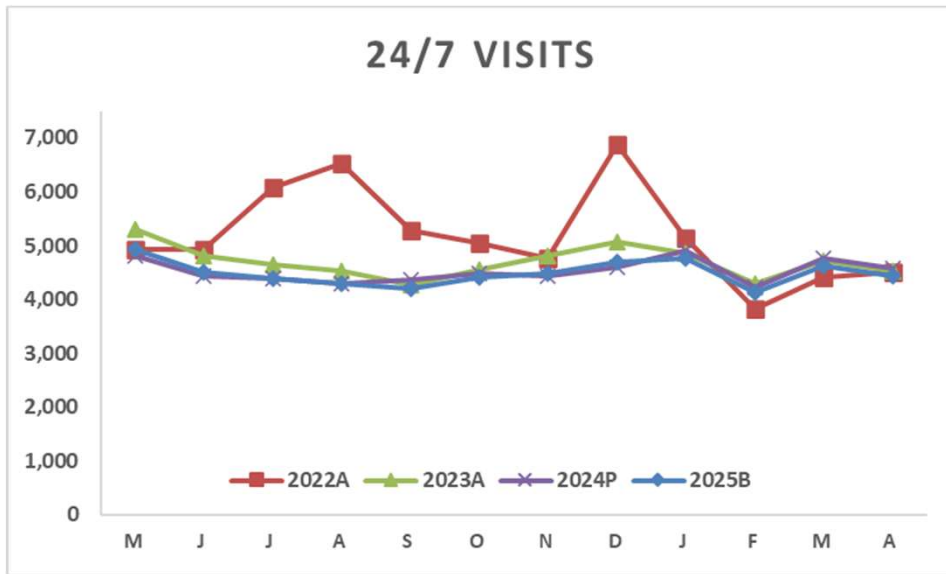
	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	12,507	12,562	12,376	12,475	0.8%

	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	1,414	1,503	1,517	1,506	-0.8%

\*Average daily census includes patient and observation days



# Volume Growth – 24/7 and UCC visits

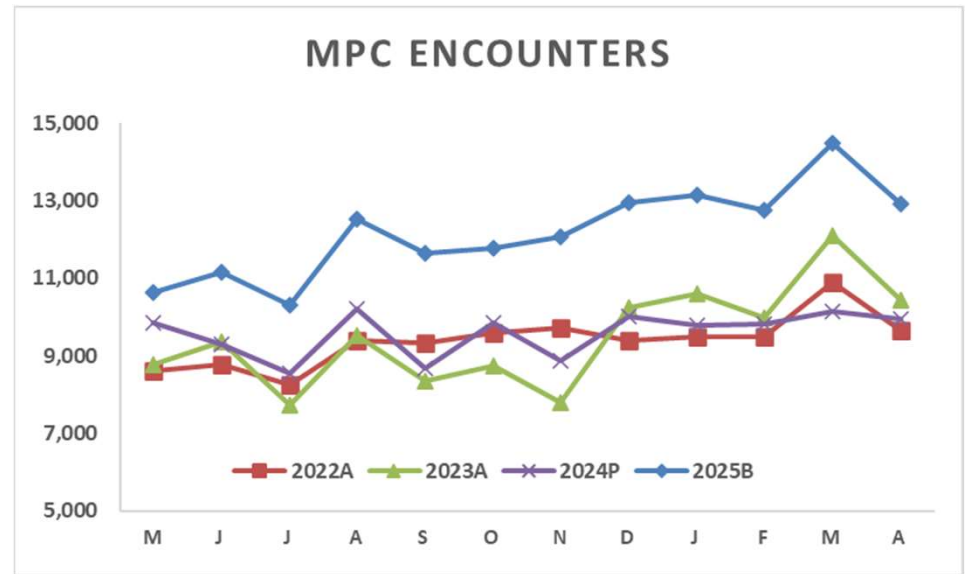
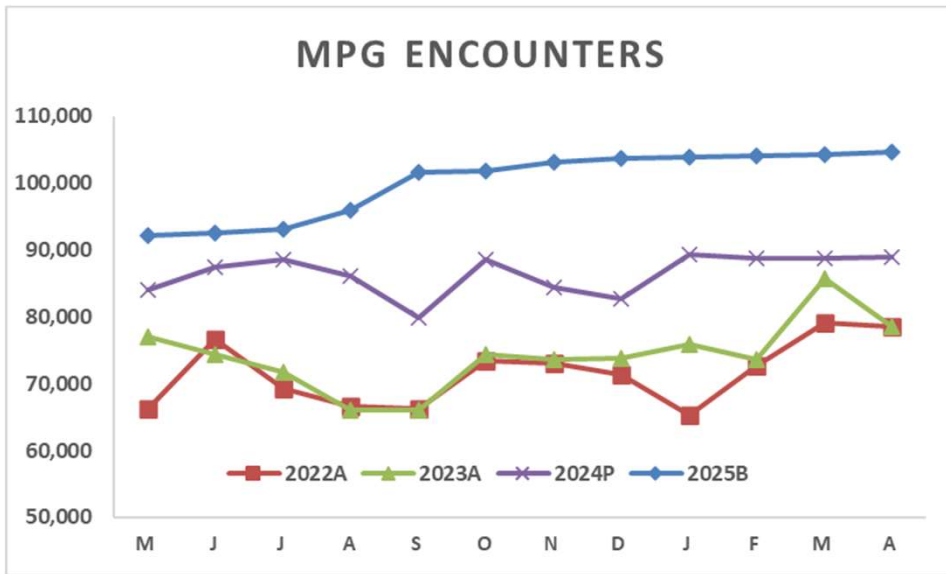


	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	62,329	56,414	54,286	53,806	-0.9%

	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	30,758	30,677	32,264	42,264	31.0%



# Volume Growth – Physicians



	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	858,516	890,842	1,037,165	1,200,404	15.7%

	<u>2022A</u>	<u>2023A</u>	<u>2024P</u>	<u>2025B</u>	<u>vs 2024P</u>
Total Year	112,620	113,654	115,002	146,371	27.3%



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## Key Financial Results

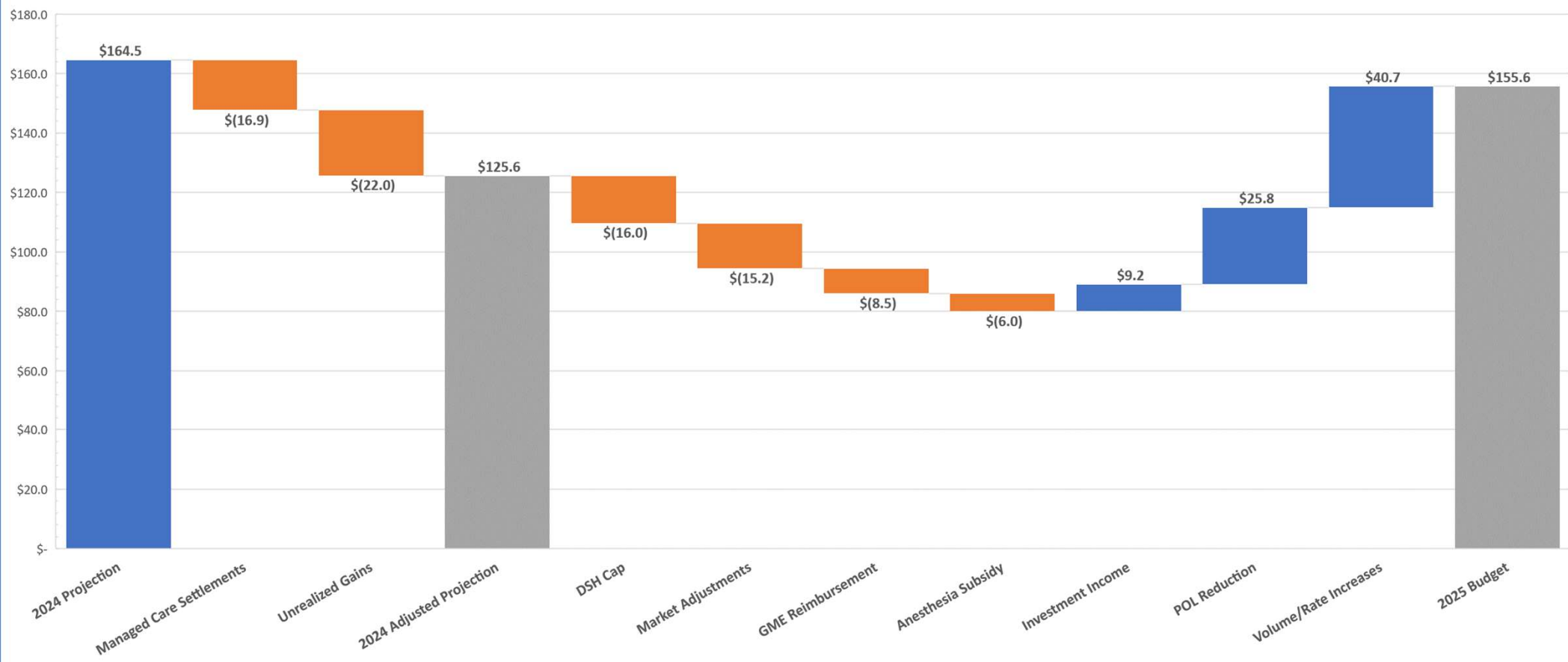
(\$ millions)

	<b>FY2024 Projection</b>	<b>FY2025 Budget</b>	<b>FY2025 vs. FY2024</b>
<b>Net Revenues</b>	<b>\$ 3,183</b>	<b>\$ 3,371</b>	<b>\$ 188</b>
<b>Total Operating Expenses</b>	<b>3,085</b>	<b>3,269</b>	<b>184</b>
<b>Income from Operations</b>	<b>98</b>	<b>102</b>	<b>5</b>
<b>Non-Operating Income</b>	<b>67</b>	<b>54</b>	<b>(13)</b>
<b>Excess of Revenues over Expenses</b>	<b>165</b>	<b>156</b>	<b>(9)</b>
<b>Adjusted EBIDA</b>	<b>295</b>	<b>324</b>	<b>29</b>
<b>Adjusted EBIDA %</b>	<b>9.3%</b>	<b>9.6%</b>	<b>0.3%</b>
<b>Capital Expenditures</b>	<b>251</b>	<b>306</b>	<b>56</b>

- ✓ **Income from operations** for FY2025 includes growth within capacity, reductions in agency pay and incentive spend, strategic initiatives and IT digital investments
- ✓ **Non-operating income** in FY2024 includes unrealized investment portfolio gains



### FY2024 to FY2025 Waterfall: Bottom Line Change Excess of Revenues over Expenses (\$ millions)





# Operating Expenses

\$ millions	FY2024 Projection	FY2025 Budget	FY2025 vs. FY2024	FY2025 vs. FY2024	
Salaries & Wages	\$ 1,518	\$ 1,617	\$ 100	7%	- Volume growth, compensation increases, market adjustments and physician growth, partially offset by reduction in incentive pay
Employee Benefits	244	287	43	18%	- Reclass of employee prescription drug benefit from Supplies Expense, FTE growth and health plan inflation
Professional Fees	80	93	13	16%	- Physician fees including Anesthesia subsidy
Supplies Expense	651	654	3	1%	- Volume and inflation offset by employee drug reclass
Purchased Services	260	255	(4)	-2%	- Lower agency utilization, partially offset by IT and Cloud services, and enhanced security services
Facilities Expense	93	101	9	9%	- Increase in service contracts, repairs and maintenance, and rent expense
Depreciation & Amortization	120	136	16	13%	- Incremental depreciation for capital expenditures
Other Operating Expense	120	124	4	3%	- Equipment rentals and AHCA fees
<b>Total Operating Expense</b>	<b>\$ 3,085</b>	<b>\$ 3,269</b>	<b>\$ 184</b>	<b>6%</b>	

Incremental operating expense reflects volume growth and inflation factors



# Salaries & Wages Expense

\$ millions

	FY2024 Projection	FY2025 Budget	FY2025 vs. FY2024	FY2025 vs. FY2024	
<b>Regular</b>	\$ 1,253	\$ 1,346	\$ 93	7%	- Volume growth, compensation increases, market adjustments and physician growth, partially offset by reduction in incentive pay
<b>Paid Leave</b>	165	170	5	3%	- FTE growth and increased compensation
<b>Overtime</b>	30	34	4	15%	- Increased compensation and reduction in purchased outside labor
<b>Differential</b>	50	51	0	1%	
<b>Other</b>	19	16	(3)	-16%	- Fewer employees called-in for additional shifts, and lower physician director fees
<b>Salaries &amp; Wages</b>	\$ 1,518	\$ 1,617	\$ 100	7%	





# Employee Benefits Expense

\$ millions

	FY2024 Projection	FY2025 Budget	FY2025 vs. FY2024	FY2025 vs. FY2024	
Medical, Dental and Vision	\$ 41	\$ 77	\$ 35	85%	- Reclass of employee prescription drug benefit from Supplies Expense, increase in FTEs, and plan inflation
FICA	104	116	12	11%	- Growth in FTEs and higher salaries
Pension, 401A and TSA Match	89	86	(3)	3%	- Lower pension expense due to plan changes offset by higher 401A from FTE growth
Scholarships and Tuition Reimbursement	3	3	(0)		
Other	7	6	(0)		
<b>Employee Benefits Expense</b>	<b>\$ 244</b>	<b>\$ 287</b>	<b>\$ 43</b>	<b>18%</b>	



# Supplies Expense

\$ millions	FY2024 Projection	FY2025 Budget	FY2025 vs. FY2024	FY2025 vs. FY2024	
Implants	\$ 76	\$ 79	\$ 3	4%	- Increase in surgeries and 1% inflation
Food	21	22	1	6%	- Increased patient volume and 3% inflation
Lab Reagents	27	28	1	3%	- Volume and 3% inflation
Organ Acquisitions Expense	7	8	1	9%	- Growth in Memorial Transplant Institute kidney transplants
Blood	14	15	1	4%	- Increase in robotic surgeries and 2% inflation
Drugs	297	295	(2)	-1%	- Reclassification of employee prescription drug expenses to benefits, partially offset by increase in patient volume and 3.5% inflation
Medical Surgical, General, and Robotics	166	164	(2)	-1%	- Optimization and savings initiatives partially offset by volume
Other	42	43	0	1%	
<b>Supplies Expense</b>	<b>\$ 651</b>	<b>\$ 654</b>	<b>\$ 3</b>	<b>1%</b>	



# Purchased Services Expense

\$ millions

	FY2024 Projection	FY2025 Budget	FY2025 vs. FY2024	FY2025 vs. FY2024	
Purchased Outside Labor	\$ 33	\$ 8	\$ (25)	-76%	- Continued reduction in agency labor use due to increased hiring
IT & Cloud Services	48	56	9	18%	- Higher demand for IT services plus Cloud Services migration and optimization
Security Services	18	22	5	27%	- Expansion of security and safety initiatives
Purchased Outside Services	47	52	5	11%	- New and existing service contracts
Technical Imaging Services	22	23	1	4%	- Volume growth
Reference Lab	18	18	1	5%	- Growth in kidney transplants and cardiac surgery program
Other	75	76	1	1%	- Inflation and volume increases
<b>Purchased Services</b>	<b>\$ 260</b>	<b>\$ 255</b>	<b>\$ (4)</b>	<b>-2%</b>	



## Cash Sources and Uses

(\$ millions)

	<b>FY2024 Projection</b>	<b>FY2025 Budget</b>
<b>Adjusted EBIDA</b>	<b>\$295</b>	<b>\$324</b>
<b>Grants and Foundation Funding</b>	<b>15</b>	<b>10</b>
<b>Total Cash Sources</b>	<b>310</b>	<b>334</b>
<b>Capital Expenditures</b>	<b>(251)</b>	<b>(306)</b>
<b>Debt Service (interest &amp; principal)</b>	<b>(44)</b>	<b>(44)</b>
<b>Total Cash Uses</b>	<b>(295)</b>	<b>(351)</b>
<b>Net Cash Increase (Decrease)</b>	<b>15</b>	<b>(17)</b>
<b>Ending Cash &amp; Investment Balance</b>	<b>\$ 2,658</b>	<b>\$2,641</b>
<b>Days Cash on Hand</b>	<b>328</b>	<b>308</b>

✓ Days cash on hand of 308 days is consistent with the current median of 300 Days for AA-equivalent rated peers



# Proposed Capital Budget (In Thousands)

Project Capital by Entity	FY2023	FY2024	FY2025	FY2026+
MRH	\$ 16,293	\$ 65,791	\$ 70,192	\$ 780,573
MCI	56,429	18,893	11,840	17,898
IT Capital	84,371	40,047	29,117	9,599
MHW	60,338	9,678	30,018	13,369
MPG	7,240	16,308	13,761	5,323
MHP	402	4,699	41,666	61,381
MRHS	6,163	15,985	13,527	25,516
MPM	1,955	11,789	13,923	31,963
MHM	2,947	8,766	10,985	2,470
MPC	1,849	4,814	7,654	4,426
JDCH	51,641	14,778	8,010	8,194
Pharmacy	240	378	1,500	-
MMNH	10	653	4,637	15,757
Other	-	100	5,079	32,408
<b>Project and IT Total</b>	<b>\$ 289,878</b>	<b>\$ 212,679</b>	<b>\$ 261,908</b>	<b>\$ 1,008,877</b>
Strategic Initiatives	-	12,000	12,000	48,000
Capital Reserve - MHS	-	12,000	12,000	48,000
Total Routine Capital	30,793	36,217	33,530	128,194
Special Board Appropriation*	49,967	-	-	-
FEMA Grants	-	(7,200)	(3,000)	-
Bond Funding	(83,000)	-	-	-
MHS & JDCH Foundations	(10,000)	(15,000)	(10,000)	(60,000)
<b>Total Capital</b>	<b>\$ 277,638</b>	<b>\$ 250,697</b>	<b>\$ 306,438</b>	<b>\$ 1,173,071</b>

**Board Approved Capital**      \$      390,641      \$      325,426

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

\*Special Board appropriation above the FY23 capital budget for the Hollywood Blvd. & 441 land

- 2025 Major Projects**

  - MRH master plan and family birthplace
  - MHP Douglas Road and Red Road FSEDs
  - MCI Expansion
  - IT including Workday ERP and infrastructure

**2025 Routine Capital**

  - Medical beds, monitors and equipment replacements
  - Facility updates
  - IT routine capital



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# Investment in Strategic Goals

(\$ millions)

**MRH & MHW Family Birthplace**  
**Free Standing EDs**  
**IT & Digital Investments**  
**MRH Master Plan**  
**Memorial Physician Group**  
**MCI Expansion**  
**MPC Expansion**  
**Organizational Development**  
**Supply Chain**  
**Care Coordination Center**  
**Patient Access Center**  
**Other Strategic Goals**  
**Total Investments**

FY2025	
Capital Cost	Operating Cost Incremental
\$ 41.0	\$ -
32.0	-
29.1	9.0
20.4	-
14.9	15.0
11.8	-
7.8	3.0
2.7	1.8
0.1	6.2
-	5.1
-	1.6
12.0	-
<b>\$ 171.8</b>	<b>\$ 41.7</b>

- ✓ 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

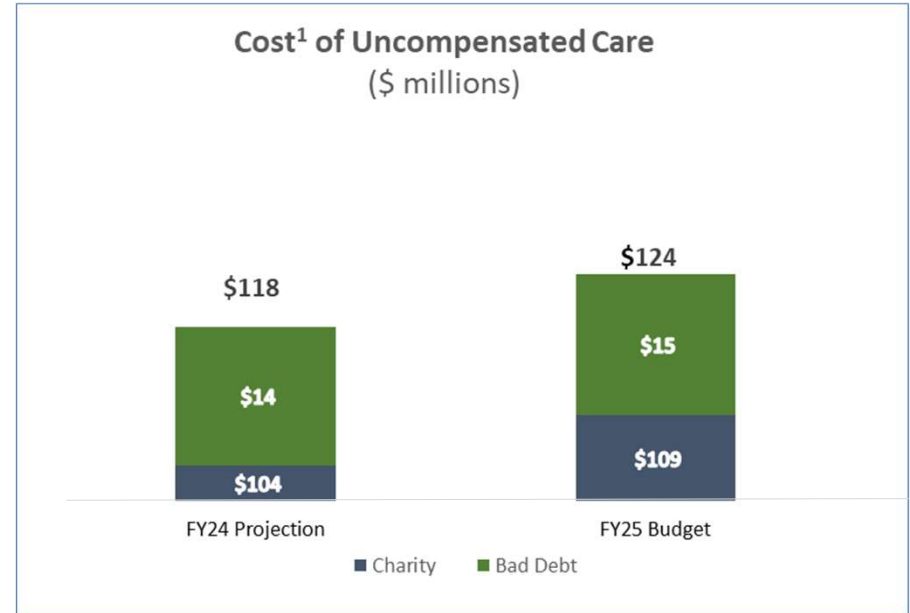
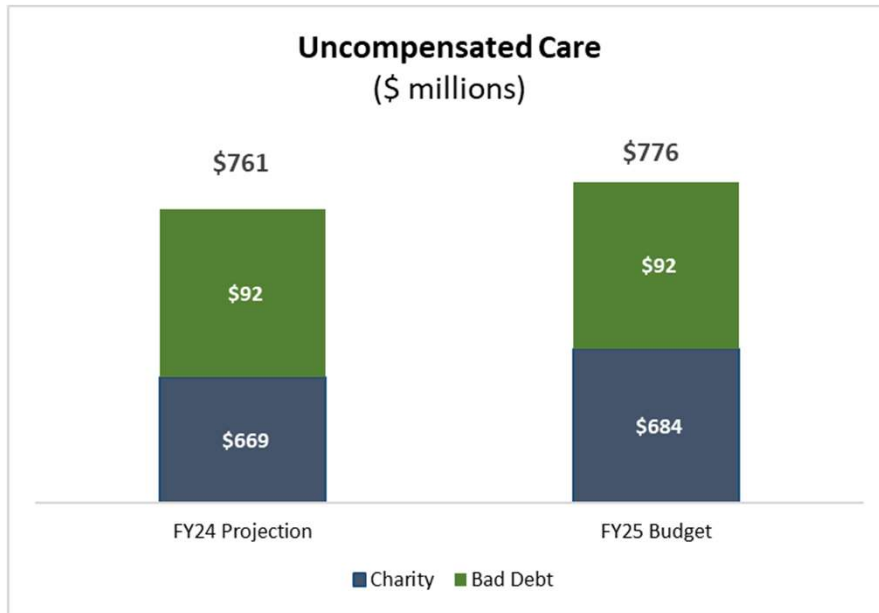
(\$ millions)

	<b>FY2024 Projection</b>	<b>FY2025 Budget</b>	<b>FY2025 vs. FY2024</b>
<b>Millage Rate (in mils)</b>	<b>0.0937</b>	<b>0.0885</b>	<b>-0.0052</b>
<b>Gross Tax Revenues</b>	<b>\$7.8</b>	<b>\$8.0</b>	<b>\$0.2</b>
<b>Less: Collection Costs</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>
<b>Net Tax Receipts</b>	<b>\$7.6</b>	<b>\$7.8</b>	<b>\$0.2</b>
<b>Less: Governmental pass-through payments</b>	<b>7.6</b>	<b>7.8</b>	<b>0.2</b>
<b>Available for Uncompensated Care</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

- ✓ 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



# Uncompensated Care



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

<sup>1</sup>The 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
  - MHS Case Management engagement
- **Destination Services**
  - Quaternary & tertiary services
  - High-Risk Obstetric Services and MFM
  - MCI – Hallandale expansion & Moffitt presence
  - Memorial Transplant Institute
  - Memorial Cardiac & Vascular Institute
  - Memorial Neuroscience Institute
- **Facility/Infrastructure Improvements**
  - Family Birthplace - 4th floor
  - Master Plan commencement
  - Emergency Department & Trauma Bay Renovation
  - Bi-plane upgrade
  - Elevator replacements

	<b>FY2025</b>
<b>Growth Rates</b>	<b>Budget</b>
Admissions	1.9%
Obs. Discharges	2.1%
Deliveries	0.2%
Outpatient Visits	3.3%
ED Visits	1.2%
Cardiac Surgeries	5.6%
IP Surgeries <sup>1</sup>	2.1%
OP Surgeries <sup>1</sup>	7.9%
Net Revenue	4.6%
Operating Expenses	5.4%

<b>\$ Millions</b>	
Net Excess (Deficit)	\$45.2
EBIDA	\$80.5

<sup>1</sup>Excluding cardiac surgeries



# Joe DiMaggio Children’s Hospital - Key Priorities

- **Quality, Safety, Patient Experience**
  - Quality, case management & social work expansion
  - Clinical Documentation Integrity (CDI) program
  - Magnet® program & other professional development
- **Patient Flow & Capacity**
  - Outpatient access - imaging, patient navigation
  - Inpatient/ED capacity & throughput
  - Operational efficiencies
- **Service Growth**
  - Strategic plan prioritization
  - Surgical services, medical programs, diagnostics, complex care
  - External relations
- **Facility/Infrastructure**
  - Hollywood Ortho/U-18 location
  - Regional service expansion (e.g., Miramar, Wellington)

Growth Rates	FY2025 Budget
Admissions	2.0%
Obs Discharges	0.8%
Outpatient Visits	2.1%
ED Visits	2.6%
Cardiac Surgeries	10.0%
IP Surgeries <sup>1</sup>	4.0%
OP Surgeries <sup>1</sup>	5.9%
Net Revenue	6.2%
Operating Expenses	6.7%

\$ Millions	
Net Excess (Deficit)	\$48.1
EBIDA	\$72.0

<sup>1</sup>Excluding cardiac surgeries



# Memorial Regional Hospital South – Key Priorities

- **Patient Flow & Capacity**
  - IP Rehab volumes/Patient Room renovations
  - Growth in OP Rehab and Imaging
  - System-wide Case Management/LOS initiative
  - Grow OP Surgery volume
- **Service Line Development**
  - MSK/HOPCO specialty hospital designation development
  - Onboard Business Development Executive
  - Sports Medicine/Miami Sharks affiliation
  - Expand Marketing for IP Rehab Referrals
- **Facility/Infrastructure Improvements**
  - Increase Imaging Capacity via 2nd CT scanner
  - MSK/HOPCO facility modifications
  - Hospital HVAC upgrades
  - Continue facility air pressure mitigation project
- **Manor/Other**
  - Co-lead the Post Acute Strategy for MHS

	FY2025 Budget
<b>Growth Rates</b>	
Total Admissions	6.6%
Rehab Admissions	9.9%
Obs Discharges	4.3%
Outpatient Visits	2.7%
ED Visits	0.8%
IP Surgeries	3.9%
OP Surgeries	6.4%
Net Revenue	8.5%
Operating Expenses	9.6%

<b>\$ Millions</b>	
Net Excess (Deficit)	(\$8.0)
EBIDA	(\$0.8)



# Memorial Hospital West - Key Priorities

- **Patient Flow & Capacity**
  - Throughput & LOS initiatives
  - Case Management and Utilization Review optimization
  - Centralized Transportation Dept
- **Service Line Development**
  - Memorial Cancer Institute
  - Obstetrics and Neonatal Care
  - Joint Replacement Center of Excellence
  - Memorial Cardiac & Vascular Institute
  - Memorial Neuroscience Institute
  - Robotic Surgery
- **Facility/Infrastructure Improvements**
  - Family Birthplace
  - Master Site Planning
  - MCVI Expansion
  - Envelope Repairs

	FY2025
Growth Rates	Budget
Admissions	1.8%
Obs Discharges	2.0%
Outpatient Visits	2.7%
ED Visits	1.6%
IP Surgeries	3.1%
OP Surgeries	6.4%
Deliveries	0.0%
Net Revenue	6.7%
Operating Expenses	6.5%

\$ Millions	
Net Excess (Deficit)	\$84.3
EBIDA	\$122.9



# Memorial Hospital Pembroke - Key Priorities

- **Patient Flow & Capacity**
  - Maximize bed utilization through Care Coordination Center
  - MHS Case Management initiative – Improve LOS and throughput
- **Service Line Development**
  - General & Acute Care Surgery
  - Robotic Surgery
  - Endocrine Surgery
  - Hernia Center of Excellence
  - Geriatric Emergency Department Accreditation
  - Outpatient Imaging
- **Facility/Infrastructure Improvements**
  - Douglas Road and Red Road Free Standing Emergency buildings
  - ORs 7 & 8 Renovation
  - Wound Care/Hyperbaric Center
- **Other**
  - Co-leader of post acute strategy for MHS

<b>Growth Rates</b>	<b>FY2025 Budget</b>
Admissions	1.6%
Obs Discharges	1.4%
Outpatient Visits	2.9%
ED Visits	1.6%
24/7 Visits	-0.9%
IP Surgeries	1.7%
OP Surgeries	4.6%
Net Revenue	2.8%
Operating Expenses	3.5%

<b>\$ Millions</b>	
Net Excess (Deficit)	\$11.0
EBIDA	\$23.1





# Memorial Hospital Miramar - Key Priorities

- **Patient Flow, Capacity & Access**
  - Throughput & Length of Stay initiatives
  - Case Management and Utilization Review optimization
  - Expanded inpatient overflow capacity
  - Expanded access to outpatient imaging
  - Growth in Memorial Surgical Center

- **Service Line Development**
  - Obstetrics & Neonatal Care
  - Robotic Surgery
  - Orthopedics
  - Pediatric Surgery & Outpatient Services
  - Expanded Pediatric & Adult Outpatient Rehab
  - Outpatient Infusion

- **Facility/Infrastructure Improvements**
  - MOB2 MRI/CT/Lab Services
  - Interventional Radiology Replacement
  - Master Site Planning

	<b>FY2025</b>
<b>Growth Rates</b>	<b>Budget</b>
Admissions	1.9%
Obs Discharges	1.7%
Outpatient Visits	11.9%
ED Visits	1.6%
IP Surgeries	1.9%
OP Surgeries	5.9%
Deliveries	2.2%
Net Revenue	4.8%
Operating Expenses	7.7%

<b>\$ Millions</b>	
Net Excess (Deficit)	\$58.1
EBIDA	\$69.6



# 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
  - Adult and Pediatric Otolaryngology
  - Cardiology, Electrophysiology, and Cardiac Imaging
  - Neurology
  - Urology
  - Maternal Fetal Medicine
- **Facility/Infrastructure Improvements**
  - Further development of the Centralized Patient Access Center (IT collaboration)
  - Expand geographic footprint:
    - Miramar with pediatric specialties
    - Hollywood with U18/Peds Orthopedics
    - Miami with adult medical specialties

	<b>FY2025</b>
<b>Growth Rates</b>	<b>Budget</b>
Encounters	15.7%
Net Revenue	15.9%
Operating Exp	14.1%
<b>\$ Millions</b>	
Net Investment	(\$154.1)
EBIDA	(\$145.8)



# Memorial Primary Care and Urgent Care Centers

## Key Priorities

- **Service Line Development & Facility/Infrastructure Improvements**
  - Expand geographic footprint for primary care medical services:
    - Plantation
    - Weston and Palm Springs North to include additional Provider
  - Further expand OBGYN/Resident Clinic to include additional Providers
  - Expansion of Virtualist Program with additional Providers
  - Continue to evaluate the transition from FFS to Value Based Agreements with Payers
  - Expand Urgent Care Center services by opening 3rd UCC in Palm Springs North

	FY2025 Budget
<b>MPC Growth Rates</b>	
Medical Encounters	27.3%
Net Revenue	17.3%
Operating Exp	25.3%

<b>\$ Millions</b>	
Net Excess (Deficit)	(\$11.0)
EBIDA	(\$9.8)

	FY2025 Budget
<b>UCC Growth Rates</b>	
Visits per Day	31.0%
Net Revenue	29.7%
Operating Exp	38.3%

<b>UCC (\$ Millions)</b>	
Net Excess (Deficit)	(\$2.1)
EBIDA	(\$1.0)



# Graduate Medical Education - Key Priorities

- GME Strategic Plan in Development
- By July of 2024, 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 2023-2024 MHS received over 15,000 applications for 54 GME spots, which is a 0.05% 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	123	185
2021 - 2022	167	245
2022 - 2023	229	269
2023 - 2024	251	273
2024 - 2025	259	273



## Value Based Care - Key Priorities



- **Quality, Safety & Consumer Experience**
  - Reduce avoidable utilization
  - Increase remote patient monitoring
  - Expansion of consumer engagement tools
- **Care Transformation**
  - Expand wellness & disease management programs
  - Primary Care at Home
  - Optimize post-acute high performing networks
- **Growth**
  - Expansion of value-based payer contracts
  - Continue to grow Memorial Health Assurance program
  - Grow number of employer-based clinics targeting local municipalities



# Nursing - Key Priorities

## Center for Nursing Excellence & Innovation

- **Superior Outcomes**
  - High Reliability Organization
  - Workforce safety
  - Reduce clinical care variation
- **Professional Development, Education & Innovation**
  - Florida First
  - Professional Advancement Program
  - Nursing Leadership Academy
  - Academic partnerships
  - Simulation center expansion
- **Care Transformation**
  - Nursing Wellness
  - Virtual Nursing
  - Hospital at Home



## Information Technology - Key Priorities

- **Consumer Experience Applications**
- **Epic Connect Expansion**
- **Telehealth**
- **Innovation/Development**
- **Clinical Projects**
- **Business Projects**
- **Strategic Relationships**
- **IT Security**
- **Technology and Cloud Migration**



## Conclusions

- ✓ With Board approval, this will be the highest budgeted Net Operating Income in the history of the South Broward Hospital District
- ✓ Memorial Healthcare System maintains its strong balance sheet that underscores our ongoing financial viability (“AA” S&P credit rating)
- ✓ FY2025 will require investments in our people, infrastructure, and strategic initiatives
- ✓ Our primary focus remains our community, our patients, our employees and our taxpayers