



## UNIVERSITY OF MASSACHUSETTS MEMORIAL HEALTHCARE

BOSTON, MASSACHUSETTS  
(\$ in Thousands)

### YTD FINANCIAL OVERVIEW FOR THE 9 MONTHS ENDING 06.30.20

ANNUALIZED NET REVENUE:	\$2,797,055
YTD NET REVENUE:	\$2,097,791

#### EBDIT

EBDIT	YTD	EBDIT MARGIN
EBDIT	\$ 93,504	4.46%
(CARES Grant)	\$ (179,000)	-8.53%
<b>EBDIT w/o CARES</b>	<b>\$ (85,496)</b>	<b>-4.08%</b>

#### CASH

CASH	YTD	Days Cash On Hand
Total Cash	\$ 1,314,598	178.15
(CMS Advance)	\$ (367,270)	-49.77
Net Cash	\$ 947,328	128.38
(CARES)	\$ (179,000)	-24.26
<b>Total Cash-CMS-CARES</b>	<b>\$ 768,328</b>	<b>104.12</b>

#### LEVERAGE

Debt	YTD	As % of Revenue
CMS Advance - See Notes	\$ 367,270	13.1%
LT Debt, Less Current Installments	\$ 538,116	19.2%
Other Non Current Liabilities	\$ 733,427	26.2%
<b>Total Leverage</b>	<b>\$ 1,638,813</b>	<b>58.6%</b>

CHANGES WORTHY OF NOTE INCOME STATEMENT:	CHANGE YTD20-YTD19	YTD 2019	YTD 2020	FY 2019	EST. FY 2020	CHANGE EST.FY20 - FY19
NET REVENUE	\$ 119,815	\$ 1,977,976	\$ 2,097,791	\$ 2,642,903	\$ 2,797,055	\$ 154,152
OTHER OPERATING REVENUE	\$ 138,535	\$ 131,877	\$ 270,412			
CARES GRANT TO USE:	\$ (179,000)					
OPERATING INCOME	\$ (22,790)	\$ 5,272	\$ (17,518)	\$ (10,101)		
OPERATING EXPENSES	\$ 142,605	\$ 1,972,704	\$ 2,115,309	\$ 2,653,004		
EBDIT	\$ (22,186)	\$ 115,690	\$ 93,504	\$ 130,595		
EBDIT MARGIN	-1.39%	5.85%	4.46%	4.94%		

CHANGES WORTHY OF NOTE BALANCE SHEET:	CHANGE YTD20-FY19	FY 2019	YTD 2020
CASH & CASH EQUIVALENTS FY 2019 TO YTD 2020:	\$ 315,575	\$ 473,010	\$ 788,585
TOTAL CASH	\$ 329,530	\$ 985,068	\$ 1,314,598
DAYS CASH ON HAND	36.23	141.92	178.15
DUE TO THE UNIVERSITY OF MASSACHUSETTS (CURRENT LIABILITY)	\$ 139,270	\$ 89,054	\$ 228,324
CURRENT LIABILITIES - DUE TO THIRD PARTY PAYORS	\$ 230,668	\$ 8,261	\$ 238,929
CMS ADVANCE STATED PG 18 YTD FINANCIALS	\$ 228,000		
TOTAL CURRENT LIABILITIES	\$ 406,632	\$ 451,056	\$ 857,688
CMS ADVANCE ASSUMED - SEE NOTES	\$ (367,270)		
LT DEBT, NET OF CURRENT INSTALLMENTS	\$ 19,720	\$ 518,396	\$ 538,116
TOTAL NON CURRENT LIABILITIES	\$ 132,462	\$ 1,139,081	\$ 1,271,543
TOTAL LIABILITIES	\$ 539,094	\$ 1,590,137	\$ 2,129,231

#### ADDITIONAL NOTES:

(\$ in Thousands, Unless Otherwise Noted)

All figures used above are the CONSOLIDATED figures for the Obligated and Non-Obligated Group.

CARES Grant was assumed to be the total amount of Federal Stimulus stated on PG 18 YTD 2020 Financials. (see below)

CMS Advance total figure is an assumption. It is the sum of \$228MM stated in YTD 2020 Financials (see below) and the change in the line item 'Due to the University of Massachusetts (Current Liability)'.

#### SEE PAGE 18 YTD 2020 FINANCIALS FOR THE STATED CARES & CMS ADVANCE NOTES -

For the month of April 2020, UMass Memorial recorded a loss from operations of approximately \$46 million after accounting for a \$21 million credit in Cares Act funds and an additional \$12 million in Medicaid Supplemental Funds. On May 18, UMass Memorial began phasing of elective procedures and hospital volume has incrementally increased each month. In addition, incremental Federal Stimulus funds were received. For the month of May UMass Memorial recorded a gain from Operations of \$16.2 million after recognizing a total of \$44.8 million of Federal Stimulus support as other revenue which exceeded the \$30.7 million net patient service revenue shortfall. For the month of June, UMass Memorial recorded a gain from Operations of \$39.8 million after recognizing another \$44.8 million of Federal Stimulus support with net patient revenue exceeding the prior year June by \$10 million. To address potential liquidity concerns, in addition to enhancing the revolving loan agreement from \$75 million to \$125 million (the amount drawn as of the date of this report is \$0), UMass Memorial applied for a Medicare advance and \$228.0 million was received in April 2020. The System has also lowered its' days in accounts receivable from 37.5 days on September 30, 2019 to under 30 days as of July 31, 2020 providing additional liquidity. Since March 31, 2020, UMass Memorial has received \$179 million (\$110.7 million thru June and \$68.3 million subsequent to June) in Federal Stimulus funds. In addition, the Massachusetts Executive Office of Health and Human Services (EOHHS) communicated a \$49.0 million increase in Medicaid supplemental funding to be received after March 31, 2020, of which \$14.8 million was recognized as revenue in March 2020 and the remaining \$34.2 million was recognized as revenue during the April thru June 2020 quarter. On May 8, 2020, UMass Memorial received \$35.0 million of the \$49.0 million of Medicaid Supplemental Funds and the remaining \$14 million is a receivable as of June 30, 2020.

**FY 2019 Operating Income** - Although \$207.5MM of 'Gain on Sale of Equity Method Investment, Net' was included in FY 2019 Financials to get an Operating Gain of \$197MM, it was not included in calculations above, as it would give a false impression of overall operations. This based on FY 2018 posting a -\$28.4MM Operating Loss and the value of the line item above was zero. Thus, the FY 2019 Operating Loss of -\$10.1 MM before the aforementioned line item was used in the calculations for FY 2019 above.

The transaction resulting in the \$207.5MM gain took place on August 18, 2019 (Q4) and as such is not reflected in the YTD 2019 Operating Income above. The details of the transaction can be found on Pg 22 of FY 2019 Financials, Note 7 - Sale of Investment in Joint Venture.

#### Note 2, PG 3 YTD 2020 Financials:

The System adopted Accounting Standards Updates ("ASU") No. 2016-02, Leases (Topic 842) effective October 1, 2019 using a modified retrospective transition approach. Prior period financial statements and disclosures have not been adjusted to reflect the provisions of the new standard. The new standard requires lessees to put most leases on their balance sheets by recognizing a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset over the lease term. The System has elected the package of practical expedients permitted which allowed the carry forward of historical assessments of (1) whether contracts are or contain leases, (2) lease classification and (3) initial direct costs. We have also made an accounting policy election not to recognize leases with an initial term of 12 months or less on the balance sheet.

The System leases various property and equipment under finance and operating leases. The adoption of the lease accounting standard had a material impact on the consolidated balance sheet as of October 1, 2019 and resulted in the recognition of operating lease right-of-use assets and lease obligations of \$135.1 million.



# EBDIT

UNIVERSITY OF MASSACHUSETTS MEMORIAL HEALTHCARE

(\$ in Thousands)

YTD EBDIT WITH & WITHOUT CARES GRANT FOR THE 9 MONTHS ENDING 06.30.20

ANNUALIZED NET REVENUE:	\$2,797,055
YTD NET REVENUE:	\$2,097,791

## EBDIT YTD 2020

EBDIT	YTD	EBDIT MARGIN
Operating Income	\$ (17,518)	
Plus Interest	\$ 15,747	
Plus Depreciation	\$ 95,275	
<b>Total EBDIT</b>	<b>\$ 93,504</b>	<b>4.46%</b>

## CARES GRANT

CARES GRANT	Notes	YTD
CARES Grant	See Notes on Pg 1 of this Summary	
<b>Total CARES Funding</b>		<b>\$ (179,000)</b>

## EBDIT WITHOUT CARES

EBDIT WITHOUT CARES	YTD	EBDIT MARGIN
EBDIT w/ CARES	\$ <b>93,504</b>	<b>4.46%</b>
(CARES)	\$ (179,000)	-8.53%
<b>Total EBDIT w/o CARES</b>	<b>\$ (85,496)</b>	<b>-4.08%</b>



## APPENDIX

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UNIVERSITY OF MASSACHUSETTS MEMORIAL HEALTHCARE

LINKS TO ANNUAL 2019 FINANCIALS & 2020 QTR & YTD FINANCIALS FOR THE 9 MONTHS ENDING 06.30.20

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LINK TO EMMA CONTINUING DISCLOSURE PAGE

[HTTPS://EMMA.MSRB.ORG/ISSUEVIEW/DETAILS/ER378310](https://emma.msrb.org/issueview/details/ER378310)

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QTR & YTD FINANCIALS FOR THE 9 MONTHS ENDING 06.30.20

[HTTPS://EMMA.MSRB.ORG/SS1399720-SS1088520-SS1496951.PDF](https://emma.msrb.org/ss1399720-ss1088520-ss1496951.pdf)

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2019 AUDITED FINANCIALS FOR THE YEAR ENDING 09.30.19

[HTTPS://EMMA.MSRB.ORG/ER1285040-ER1002183-ER1405829.PDF](https://emma.msrb.org/ER1285040-ER1002183-ER1405829.pdf)