



The MetroHealth System

Board of Trustees

Wednesday, October 25, 2023

3:00 - 5:00 pm

The MetroHealth System K-107 or via Zoom

Finance Committee

Regular Meeting

The MetroHealth System Board of Trustees

FINANCE COMMITTEE

DATE: Wednesday, October 25, 2023
TIME: 3:00-5:00 pm
PLACE: MetroHealth System Board Room
K107 / Via Zoom
<https://us02web.zoom.us/j/82877117816>

AGENDA

- I. **Approval of Minutes**
Finance Committee Meeting Minutes of August 23, 2023

- II. **Information Items**
 - A. Third Quarter 2023 Investment Performance - Adam Blake, Clearstead
 - B. Third Quarter 2023 Financial Results – Derrick Hollings
 - C. 2024 Annual Budget – Derrick Hollings

- III. **Executive Session**

- IV. **Recommendation/Resolution Approvals**
 - A. Recommendation for Approval of a Proposed Budget for the 2024 Fiscal Year and to Authorize the Submission of the same to the Government of Cuyahoga County, Ohio
 - B. Recommendation for the Approval of Certain Annual Purchasing Policies and Procedures

The MetroHealth System Board of Trustees

FINANCE COMMITTEE

August 23, 2023

3:00-5:00 pm

MetroHealth Brooklyn Heights Campus - Building B (Room B102)

or Zoom <https://us02web.zoom.us/j/82877117816>

Meeting Minutes

Committee Members Present: John Moss-I¹, JB Silvers-I

Other Trustees Present: Inajo Chappell-I, E. Harry Walker-I, Maureen Dee-I, John Corlett-I, E. Harry Walker MD-I

Staff Present: Dr. Airica Steed-I, Nicholas Bernard-I, Dr. Richard Blinkhorn-I, Dr. Joseph Golob-I, Geoff Himes-I, Dr. Olusegun Ishmael-I, Julie Jacono-I, Dr. Julia Bruner-I, Christina Morales-I, Brad Schwartz-I, Nicholas Sukalac- R², Jacqueline Woolnough-I, Brian Kauffman-R, Dr. William Lewis-I, Dr. Nabil Chehade-I, Sr. Christine Alexander Rager-I, Sonja Rajki-I, Matt Kaufman-I, Kinsey Joliff-I, Allison Poullos-I

Guests Present: Suzanne Aral-Boutros-R, Adam Blake-I (Clearstead), Bayley Miozzi-R

Mr. Moss called the meeting to order at 3:08 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

I. Approval of Minutes

The minutes of the April 26, 2023, Finance Committee and Investment subcommittee meeting were approved as submitted.

Mr. Moss noted that the Finance Committee also serves as the Investment Committee for the System.

¹ I – In-person

² R - Remote



The MetroHealth System Board of Trustees

II. Information Items

A. Second Quarter 2023 Investment Performance - Adam Blake, Clearstead

Mr. Blake, Senior Managing Director from Clearstead (the System's investment advisor) reviewed the Oversight Dashboard, which captures important activities required for appropriate investment portfolio management and subcommittee oversight.

Mr. Blake then provided the subcommittee with an economic and market update, and review of the investment portfolio's performance in the second quarter of 2023. Mr. Blake commented on the economic landscape and the market focus on artificial intelligence. The System does have limited exposure to these stocks under the Vanguard index fund and that has benefited the long-term pool. Mr. Blake also presented the strategic asset allocation.

Overall investment results for the second quarter of 2023 are positive with a gain of \$8 million. 2023 total portfolio to date is up \$21 million.

Finally, Mr. Blake proposed a modest rebalancing recommendation within the non-reserve long term pool. The recommendation is to trim \$500k from the Harbor Capital appreciation and add to DFA US Large Cap value and invest \$250k of accumulated cash into the Vanguard 500 Index.

B. Finance Committee Charter – Geoff Himes

Mr. Himes gave an update on the review and updating of the finance committee charter in conjunction with the committee chair. The update included delineating the Committee's responsibility to also serve as the investment committee.

C. Second Quarter 2023 Financial Results – Geoff Himes

Mr. Himes began by providing an overview of the Unaudited Financial and Operational Results for the period ended June 30, 2023, compared to the same time in 2022, highlighting significant items that represented a change or variance from the prior year.

Mr. Himes gave an update on the final investor call on Aug. 10th, 2023. This part of disclosure and compliance is now completed. Moving forward disclosure will be limited to posting to EMMA our quarterly and annual financials along with the annual external audit report.



The MetroHealth System Board of Trustees

Turning to the second quarter 2023 operating results compared to the prior year, Mr. Himes shared that net patient service revenue increased \$46.9 million or 8.4%, due to an increase in various volumes including discharges, outpatient visits, emergency visits and outpatient surgeries. Also, an increase in net patient service revenue is attributed to a shift back to in-person visits versus virtual compared to prior year. Other revenue increased \$41.3 million or 18.1%, due to the continued growth in retail pharmacy operations.

Mr. Himes gave an overview of the EBIDA position in June 2023 as compared to June 2022. EBIDA for the six months ended June 30, 2023, was \$52.9 million, a decrease of \$25.5 million over the same period in 2022, which had an EBIDA of \$78.4 million. Mr. Himes explained that the increase in operating expenses was primarily driven by salaries, wages, and benefits due to overtime, premium pay programs, contract labor and wage and FTE increases, including the associated benefits and employee health plan costs at \$66.0 million. Also, pharmaceutical costs related to the continued growth in retail pharmacy operations at \$29.4 million.

Mr. Himes discussed the statement of net position. As of June 30, 2023, total assets were \$2.53 billion, a decrease of \$57.2 million from the prior year-end. The change in assets was driven mainly by Unrestricted cash and cash equivalents decreased \$47.3 million from prior year end balances primarily due to capital purchases and timing of supplier payments. Restricted assets under bond indenture agreements decreased \$34.8 million from prior year-end balances due to bond fund draws and interest payments made during the period. Net capital assets increased \$31.8 million from prior year-end balances due to ongoing campus transformation with the opening of The Glick Center and the Behavioral Health Hospital in Cleveland Heights in 2022 as well as ongoing construction of the new outpatient building at main campus. Implementation of GASB Statement No. 96 SBITA, which resulted in net additional assets of \$15.0 million as compared to prior year-end.

As of June 30, 2023, total liabilities were \$1.76 billion, a decrease of \$59.5 million from the prior year-end balance. The decrease is largely attributable to the timing of payments to suppliers. The decrease is also related to the payment of long-term debt obligations, partially offset by an increase in liabilities for the implementation of GASB Statement No. 96 SBITA.

Mr. Himes concluded his remarks by indicating the System remains compliant with its bond covenants, Days Cash on Hand greater than 75, and a Debt Service Coverage Ratio greater than 1.0.



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IV. Executive Session

Mr. Moss stated that the next items were topics for an executive session. He asked for a motion to go into executive session to discuss hospital trade secrets as defined by ORC 1333.61. Dr. Walker moved and Ms. Inajo Chappell seconded the motion. The Board held a roll call vote with all Trustees voting to approve the motion to go into executive session for the purpose stated by Mr. Moss.

Members of the public were excused. The Board went into executive session to discuss the identified matters at 3:49 pm.

Following the executive session, the meeting reconvened in open session at approximately 5:00 pm and welcomed back the public via Zoom and those members of the public who remained in-person.

V. Recommendation/Resolution Approvals

A. Recommendation for the Approval of Financial and Operational Transformation and Optimization Project

Mr. Moss noted that the Board heard from management in executive session regarding some trade secret details pertaining to the resolution for the approval of the engagement of a third-party firm to assist MetroHealth in completing a financial and operational transformation optimization project.

Mr. Moss asked for any further discussion regarding the resolution. No further discussion was had, and a vote was called, the outcome as follows: Dr. JB Silvers – Aye; Maureen Dee – Aye; John Corlett – Aye; John Hairston – Absent; Inajo Davis Chappell – No; Vanessa Whiting – Absent; E. Harry Walker MD – Aye; Robert Hurwitz – Absent; John Moss – Aye.

Mr. Moss stated there was no further business to bring before the Committee, the meeting was adjourned at approximately 5:05 pm.

Geoff Himes,
Interim Chief Financial Officer





October 25, 2023

**METROHEALTH SYSTEM
INVESTMENT COMMITTEE MEETING**



*1100 Superior Avenue East Suite 700
Cleveland, Ohio 44114
216.621.1090 | clearstead.com*

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1. 2023 and Draft 2024 Oversight Dashboards
2. Economic and Market Update
3. 9/30/2023 Performance Review
4. Investment Policy Review

Appendix

Additional Performance Slides

Additional Economic Slides

2023 OVERSIGHT DASHBOARD

Last Reviewed
 Investment Policy: 10/25/23
 Strategic Asset Allocation: 08/23/23
 Fee Review: 04/26/23

		4Q 22	1Q 23	2Q 23	3Q 23	Comments:
Strategic/ Administrative	Investment Policy Review				✓	
	Sustainable Investing Guidelines					
	Strategic Asset Allocation Review			✓		
	2024 Oversight Dashboard				✓	
Portfolio	Reserve Pool Fixed Income Review		✓			
	Domestic Equity Review	✓				
	International Equity Review	✓				
Performance	Capital Markets Review	✓	✓	✓	✓	
	Quarterly Performance Review	✓	✓	✓	✓	
Other	Clearstead Firm Update	✓				
	Fee Review		✓			
	Sustainable Investing Exposure Review		✓			

DRAFT 2024 OVERSIGHT DASHBOARD

Last Reviewed
 Investment Policy: 10/25/23
 Strategic Asset Allocation: 08/23/23
 Fee Review: 04/26/23

		4Q 22	1Q 23	2Q 23	3Q 23	Comments:
Strategic/ Administrative	Investment Policy Review				<input type="checkbox"/>	
	ESG Education		<input type="checkbox"/>			
	Strategic Asset Allocation Review			<input type="checkbox"/>		
	Fiduciary Education			<input type="checkbox"/>		
	2025 Oversight Dashboard				<input type="checkbox"/>	
Portfolio	Reserve Pool Fixed Income Review		<input type="checkbox"/>			
	Domestic Equity Review	<input type="checkbox"/>				
	International Equity Review	<input type="checkbox"/>				
	Clearstead Due Diligence Process	<input type="checkbox"/>				
	Portfolio Rebalancing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Performance	Capital Markets Review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Quarterly Performance Review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other	Clearstead Firm Update	<input type="checkbox"/>				
	Fee Review		<input type="checkbox"/>			



ECONOMIC AND MARKET UPDATE

QUARTERLY THEMES

WHAT HAPPENED LAST QUARTER?

- Negative quarter for most asset classes; Interest rates rose dampening outlook for growth stocks
- The Fed likely to continue tighter monetary policy amidst stronger than expected growth and headline inflation
 - Broad-based decline: 9 of 11 sectors negative; Energy stocks soared as crude oil prices rose 30%
 - Interest rate-sensitive utilities and real estate stocks suffered largest losses
- Global equities remain in positive territory following selloff in 3rd quarter:
 - **Quarter:** S&P 500 -3.3%; MSCI EAFE -4.1%; MSCI Emerging Markets -2.9%; Bloomberg US Agg -3.2%
 - **YTD:** S&P 500 +13.1%; MSCI EAFE +7.1%; MSCI Emerging Markets +1.8%; Bloomberg US Agg -1.2%

LOOKING FORWARD:

- Global economy exceeding expectations, pushing a potential recession into 2024
 - Good macroeconomic news may have a “negative effect” on markets
 - Technicals point to markets being range bound; Breakout above upper bound appears unlikely
- Corporate earnings and profit margin resiliency will be tested with slowing economic growth
 - Equity markets distorted by historic concentration of the “Magnificent Seven” in both price and valuation
 - Continued strength in labor markets and the U.S. consumer could provide support for markets
- New paradigm of higher interest rates for longer; Consumers and businesses adjusting to higher interest costs
 - Highly leveraged sectors will experience a gradual shake-out
- Emphasizing high-quality fixed income

Source: Clearstead, Federal Reserve, Bloomberg LP. As of 9/30/2023. Past performance is not an indicator of future results.

U.S. ECONOMIC PROJECTIONS

FEDERAL RESERVE BOARD MEMBERS & BANK PRESIDENTS

		2023	2024	2025	2026	LONG RUN*
GDP	September 2023	2.1%	1.5%	1.8%	1.8%	1.8%
	June 2023	1.0%	1.1%	1.8%		1.8%
	March 2023	0.4%	1.2%	1.9%		1.8%
	December 2022	0.5%	1.6%	1.8%		1.8%
Unemployment Rate	September 2023	3.8%	4.1%	4.1%	4.0%	4.0%
	June 2023	4.1%	4.5%	4.5%		4.0%
	March 2023	4.5%	4.6%	4.6%		4.0%
	December 2022	4.6%	4.6%	4.5%		4.0%
Core PCE Inflation	September 2023	3.7%	2.6%	2.3%	2.0%	
	June 2023	3.9%	2.6%	2.2%		
	March 2023	3.6%	2.6%	2.1%		
	December 2022	3.5%	2.5%	2.1%		
Federal Funds Rate	September 2023	5.6%	5.1%	3.9%	2.9%	2.5%
	June 2023	5.6%	4.6%	3.4%		2.5%
	March 2023	5.1%	4.3%	3.1%		2.5%
	December 2022	5.1%	4.1%	3.1%		2.5%
# of implied 25 bps rate changes year	September 2023	5	-2	-5		
	June 2023	5	-4	-5		
	March 2023	3	-3	-5		
	December 2022	3	-4	-4		

*Long run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further shocks and under appropriate monetary policy.

Source: Clearstead, U.S. Federal Reserve.
Data as of 09/30/2023. Past performance is not an indicator of future results.

HEADWINDS AND TAILWINDS



TAILWINDS

- S&P 500 enter seasonally strong quarter for performance
- Corporate America working through higher rates
- Services economy still expanding; though at a slower rate
- Earnings revisions for communication services, consumer discretionary, and information technology turn higher
- Job growth slowing but labor markets still strong; unemployment claims near 2023 lows

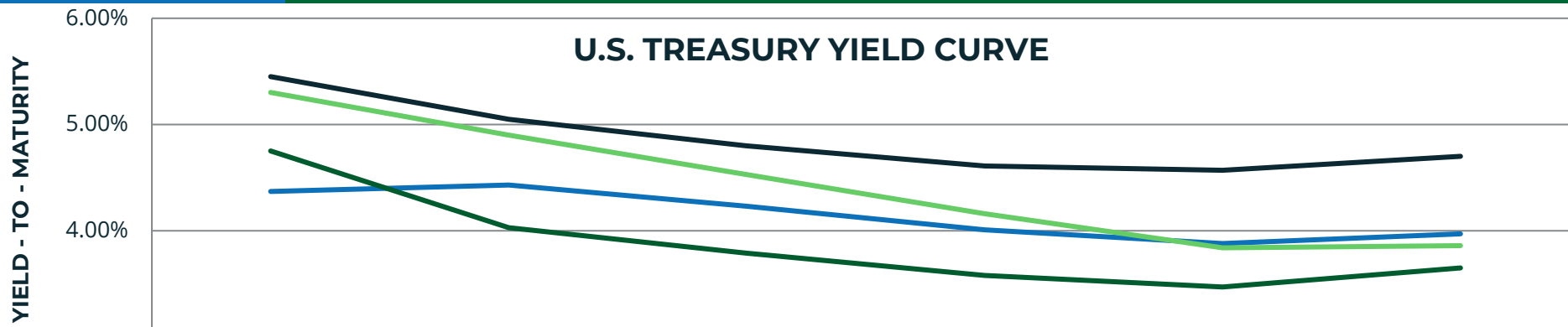


HEADWINDS

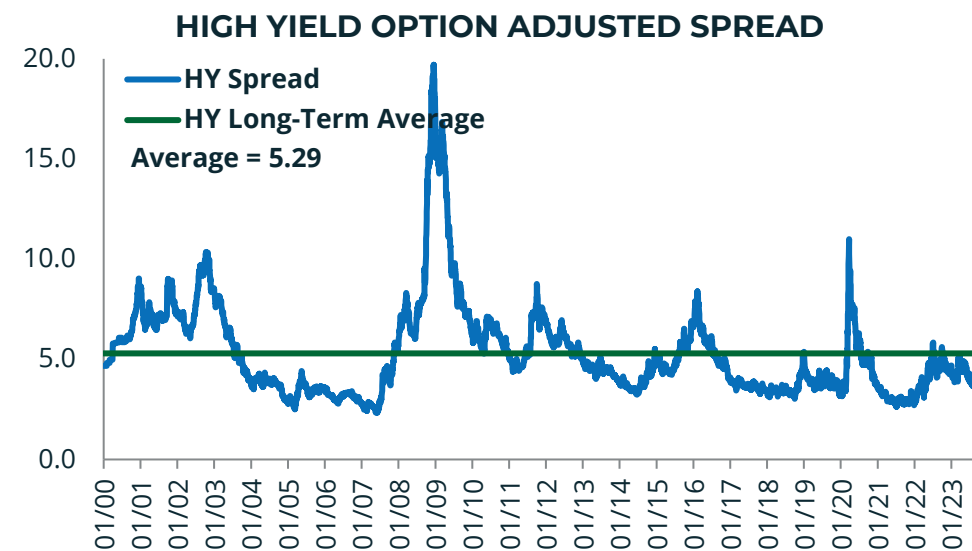
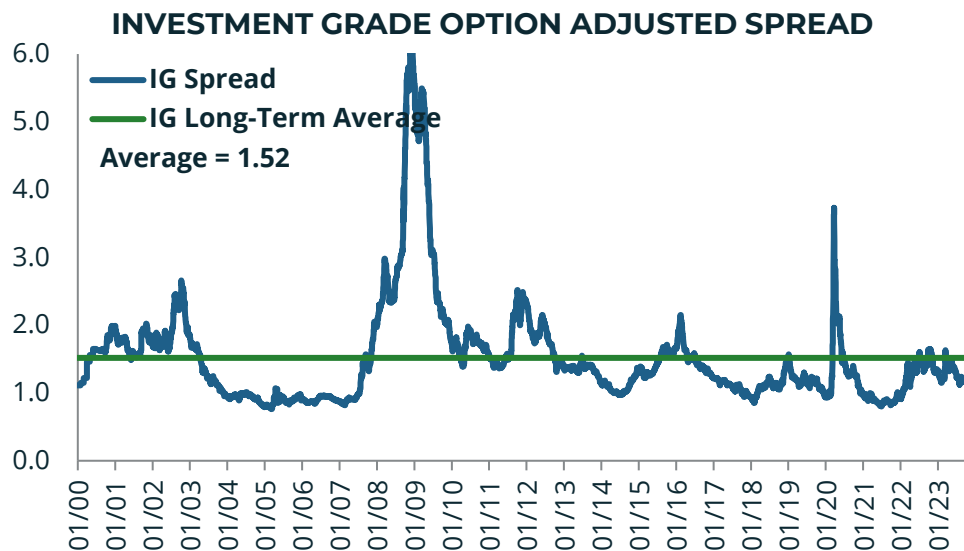
- Potential drag from student loan payments resuming and strikes
- Stopgap bill buys time to mid-November; McCarthy ousted in GOP civil war – sets stage for unclear budget process—potential shutdown still looms
- Consumers slowing, debt building, defaults rising in riskier cohorts (corporate and consumer)
- Manufacturing still in contraction
- Treasury supply surging; rates moving higher

Image source: openai.com DALL-E

FIXED INCOME UPDATE



	3M	2Y	3Y	5Y	10Y	30Y
12/31/2022	4.37%	4.43%	4.23%	4.01%	3.88%	3.97%
3/31/2023	4.75%	4.03%	3.79%	3.58%	3.47%	3.65%
6/30/2023	5.30%	4.90%	4.53%	4.16%	3.84%	3.86%
9/30/2023	5.45%	5.05%	4.80%	4.61%	4.57%	4.70%
YTD Change	1.08%	0.62%	0.57%	0.60%	0.69%	0.73%



Source: Bloomberg. Data as of 9/30/2023. Past performance is not an indicator of future results.



9/30/2023 PERFORMANCE REVIEW

TOTAL SYSTEM SNAPSHOT: 9/30/2023

	System	Select Assurance	Total
Clearstead Investment Reports	\$ 485,266,395	\$ 90,859,066	\$ 576,125,461
Cash on Hand (Operating Accounts)	38,029,707	10,540,559	48,570,266
Other Investments (Premier shares, Recovery Resources, MHS Purchasing, MHS Care Innovation)	8,866,381	-	8,866,381
Total Cash & Unrestricted Investments	\$ 532,162,483	\$ 101,399,625	\$ 633,562,108

	Reserve Pool	Non Reserve Pool	Total
Clearstead System Report	\$ 273,350,584	\$ 211,915,811	\$ 485,266,395
Clearstead Select Assurance Report	-	90,859,066	90,859,066
System Cash Balance	38,029,707	-	38,029,707
Select Assurance Cash Balance	10,540,559	-	10,540,559
Other Investments	-	8,866,381	8,866,381
Total Cash & Unrestricted Investments	\$ 321,920,850	\$ 311,641,258	\$ 633,562,108

METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: 09/30/2023

		Starting Balance	Net Cash Flow	Net Investment Change	Ending Balance
2019	Reserve	\$346,390,927	(\$40,684,362)	\$10,486,231	\$316,192,796
	Non-Reserve	\$33,511,686	\$37,500,000	\$15,894,971	\$86,906,657
	Total	\$379,902,613	(\$3,184,362)	\$26,381,202	\$403,099,453
2020	Reserve	\$316,192,797	\$224,762,533	\$8,090,467	\$549,045,797
	Non-Reserve	\$86,906,657	\$0	\$15,698,611	\$102,605,268
	Total	\$403,099,454	\$224,762,533	\$23,789,078	\$651,651,065
2021	Reserve	\$549,045,797	(\$90,653,379)	(\$1,307,079)	\$457,085,339
	Non-Reserve	\$102,605,268	\$100,000,000	\$22,686,324	\$225,291,592
	Total	\$651,651,065	\$9,346,621	\$21,379,245	\$682,376,931
2022	Reserve	\$457,085,339	(\$122,436,356)	(\$7,645,744)	\$327,003,239
	Non-Reserve	\$225,291,592	\$0	(\$26,458,875)	\$198,832,717
	Total	\$682,376,931	(\$122,436,356)	(\$34,104,619)	\$525,835,956
1Q 2023	Reserve	\$327,003,239	(\$20,148,028)	\$4,786,450	\$311,641,661
	Non-Reserve	\$198,832,717	\$0	\$8,532,106	\$207,364,823
	Total	\$525,835,956	(\$20,148,028)	\$13,318,556	\$519,006,484
2Q 2023	Reserve	\$311,641,661	(\$81,085,399)	\$136,186	\$230,692,448
	Non-Reserve	\$207,364,822	\$0	\$7,842,565	\$215,207,387
	Total	\$519,006,483	(\$81,085,399)	\$7,978,751	\$445,899,835
3Q 2023	Reserve	\$230,692,448	\$40,711,330	\$1,946,806	\$273,350,584 *
	Non-Reserve	\$215,207,387	\$0	(\$3,291,577)	\$211,915,810 **
	Total	\$445,899,835	\$40,711,330	(\$1,344,771)	\$485,266,394

*The Reserve Pool balance excludes approximately \$15.4 million in System operating cash.

** The overall balance does not include \$90.6 million of Captive investments and \$10.5 million of Captive operating cash.

SELECT ASSURANCE CAPTIVE: ATTRIBUTION OF MARKET VALUE CHANGE: 09/30/2023

	Starting Balance	Contributions	Withdrawals	Net Investment Change	Ending Balance
2019	\$16,501,370	\$10,750,000	(\$5,847)	\$3,695,567	\$30,941,090
2020	\$30,941,090	\$20,007,000	(\$9,488)	\$4,978,665	\$55,917,267
2021	\$55,917,267	\$20,000,000	(\$13,520)	\$5,324,796	\$81,228,543
2022	\$81,228,543	\$10,000,000	(\$17,920)	(\$9,329,858)	\$81,880,765
1Q 2023	\$81,880,765	\$0	(\$4,809)	\$3,543,122	\$85,419,078
2Q 2023	\$85,419,078	\$0	(\$4,903)	\$2,532,196	\$87,946,371
3Q 2023	\$87,946,371	\$5,000,000	(\$5,136)	(\$2,082,170)	\$90,859,065 *

- The Investment Committee of the Captive has been given authority by the Captive Board to invest operating cash that is in excess of \$10 million within the guidelines of the investment policy

* Balance excludes operating cash, \$15.4 million

METROHEALTH: PERFORMANCE SUMMARY

	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Plan	-0.3	3.9	6.0	-0.1	1.3	-5.0	3.2	3.9	2.5	Aug- 18
Non-Reserve Long-Term Pool	-3.8	10.1	19.8	-2.0	7.5	-19.2	21.9	18.0	7.5	Aug- 18
<i>Non-Reserve LT Pool Benchmark¹</i>	<i>-3.4</i>	<i>11.0</i>	<i>20.6</i>	<i>-1.3</i>	<i>8.3</i>	<i>-18.5</i>	<i>21.9</i>	<i>18.8</i>	<i>8.1</i>	
Total Equity	-3.8	10.2	19.9	-2.0	7.5	-19.2	21.9	18.0	7.5	Aug- 18
Total Domestic Equity	-3.3	11.3	19.8	-0.7	8.8	-19.0	25.7	18.8	9.0	Aug- 18
<i>Russell 3000 Index</i>	<i>-3.3</i>	<i>12.4</i>	<i>20.5</i>	<i>-0.4</i>	<i>9.4</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>9.6</i>	
<i>Russell 2000 Index</i>	<i>-5.1</i>	<i>2.5</i>	<i>8.9</i>	<i>-8.7</i>	<i>7.2</i>	<i>-20.4</i>	<i>14.8</i>	<i>20.0</i>	<i>2.7</i>	
<i>S&P 500 Index</i>	<i>-3.3</i>	<i>13.1</i>	<i>21.6</i>	<i>1.4</i>	<i>10.2</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>10.4</i>	
Total International Equity	-6.4	4.4	20.7	-8.2	1.0	-20.5	6.1	14.4	0.9	Aug- 18
<i>MSCI AC World ex USA (Net)</i>	<i>-3.8</i>	<i>5.3</i>	<i>20.4</i>	<i>-5.1</i>	<i>3.7</i>	<i>-16.0</i>	<i>7.8</i>	<i>10.7</i>	<i>2.2</i>	
Total Fixed Income & Cash	1.2	3.4	4.2	2.3	1.5	1.1	0.0	0.3	1.4	Aug- 18
Non-Reserve Short-Term Pool	1.1	2.9	4.0	0.0	-	-2.6	-	-	0.2	May- 21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>	<i>0.7</i>	<i>1.7</i>	<i>2.4</i>	<i>-1.4</i>	<i>-0.9</i>	<i>-3.8</i>	<i>-0.6</i>	<i>3.2</i>	<i>-1.2</i>	
Reserve Pool	0.7	2.2	2.9	0.1	0.1	-1.6	-0.3	2.5	1.5	Aug- 18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>	<i>0.7</i>	<i>1.7</i>	<i>2.4</i>	<i>-1.4</i>	<i>-0.9</i>	<i>-3.8</i>	<i>-0.6</i>	<i>3.2</i>	<i>1.0</i>	
Total Fixed Income	0.7	2.2	2.9	0.1	0.1	-1.6	-0.3	2.5	1.5	Aug- 18

¹Russell 3000 Index: 80.00%, MSCI AC World ex USA (Net): 20.00%

PORTFOLIO SNAPSHOT & RECOMMENDATIONS: 10/17/2023

	Market Value as of 10/17/2023			New Allocation		Policy	
	\$	%	Change	\$	%	Target	Range
Non-Reserve LTP Pool	\$112,804	100.0%	\$0	\$112,804	100.0%	100.0%	
Domestic Equity	\$95,410	84.6%	\$0	\$95,410	84.6%	80%	0%-100%
Large Cap	\$77,934	69.1%	\$0	\$77,934	69.1%		
Vanguard Inst 500 Index	\$47,428	42.0%		\$47,428	42.0%		
Vanguard FTSE Social Index	\$8,591	7.6%		\$8,591	7.6%		
AQR Defensive Large Cap	\$7,413	6.6%		\$7,413	6.6%		
Harbor Capital Appreciation	\$7,474	6.6%		\$7,474	6.6%		
DFA US Large Cap Value	\$7,028	6.2%		\$7,028	6.2%		
Mid Cap	\$8,812	7.8%	\$0	\$8,812	7.8%		
Vanguard Mid Cap Index	\$8,812	7.8%		\$8,812	7.8%		
Small Cap	\$8,664	7.7%	\$0	\$8,664	7.7%		
Harbor Small Growth	\$4,324	3.8%		\$4,324	3.8%		
Boston Partners Small Value	\$4,340	3.8%		\$4,340	3.8%		
International Equity	\$17,374	15.4%	\$0	\$17,374	15.4%	20%	0%-20%
Oppenheimer Int'l Gth	\$6,714	6.0%	\$750	\$7,464	6.6%		
Transamerica (TS&W) International	\$7,188	6.4%	\$250	\$7,438	6.6%		
Allspring Advtg Emerging Markets	\$3,472	3.1%	-\$1,000	\$2,472	2.2%		
Cash	\$20	0.0%	\$0	\$20	0.0%		
First American Government Fund	\$20	0.0%		\$20	0.0%		
Non-Reserve STP Pool	\$100,605					0.0%	
Reserve Pool *	\$273,351					0.0%	
Combined System	\$486,760					0.0%	

*Reserve Pool as of 09/30/23

Portfolio Summary

1. Overall portfolio is within asset allocation ranges and compliant with the investment policy
2. Recommendations: Reduce emerging markets and reallocate to developed international. Total international equity remains underweight
3. Fixed Income yields are increasingly attractive which should result in a significant pickup in interest income to the System



INVESTMENT POLICY REVIEW

INVESTMENT POLICY REVIEW: SYSTEM ASSET ALLOCATION GUIDELINES SUMMARY

Approved by the county on April 12, 2018

Portfolio Diversification, Allocation and Structure

Asset Allocation Guideline: Investment management of the assets of the System shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity	0%	30%
International Equity	0%	10%
Fixed Income/Cash and Equivalents	60%	100%

These allocation guidelines are inclusive of the amount of funds determined by MHS to be necessary to meet current demands on MHS operations (which will be included as Cash and Equivalents) as well the amount of funds in the Reserve Portfolio (which will be included as Cash and Equivalents). The overall Investment Portfolio will be kept within the above specified ranges through portfolio rebalancing and considering cash flow activities. Any necessary portfolio rebalancing will be implemented no less than quarterly to maintain compliance with the asset allocation ranges.

A. Initial Investment Plan: At all times MHS will maintain the amount of \$300 million as Designated Funds (Reserve Portfolio). MHS may invest the amount of unrestricted cash and investments in excess of the Designated Funds in accordance with the following:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity	0%	100%
International Equity	0%	20%
Fixed Income/Cash and Equivalents	0%	100%

Future excess cash flows generated by MHS will be invested along with the initial \$100 million to achieve the guidelines provided for in Section A above. At all times the entire Investment Portfolio (all Qualifying Funds) will be in compliance with the asset allocation guidelines provided in the Asset Allocation Guideline above, and the limitations on the Reserve Portfolio.

- \$300 million must always be in the Reserve Pool
- Anything over \$300 million is eligible for the Non-Reserve Pool which can be 100% equity or fixed income, no alternatives
- The overall investment portfolio is limited to 40% equity
 - The Non-Reserve Pool would have to reach \$200 million before the overall equity threshold would be met

INVESTMENT POLICY REVIEW: SECURITY GUIDELINES

Reserve Pool Guidelines (More details in Exhibit A of the investment policy statement)

- Minimum 25% or \$300 million of investment portfolio over the course of the preceding fiscal year shall be invested as a reserve
- Qualifying securities:
 - United States government or of its agencies or instrumentalities
 - Treasurer of state's Ohio subdivisions fund (STAR Ohio)
 - Obligations of this state or any political subdivision of this state (Ohio municipal bonds)
 - Certificates of deposit of any national bank located in this state (Ohio CDs)
 - Written repurchase agreements with any eligible financial institution in this state that is a member of the federal reserve system or federal home loan bank
 - Money market funds
 - Bankers acceptances maturing in two hundred seventy days or less that are eligible for purchase by the federal reserve system
 - Commercial paper
 - Up to 15% in corporate issues in the second highest or higher rated (quality) with a maximum of 2-year maturity

Non-Reserve Pool Guidelines (More details in Exhibit B of the investment policy statement)

- Permissible investments include the Reserve Pool qualifying securities
- Fixed income investments should emphasize high-quality (on average, the portfolio should have BBB- rating or better) and reasonable diversification.
- Diversification must be maintained and, with the exception of securities guaranteed by the U.S. Government, the securities of a single issuer should not exceed 10% of the market value of the manager's portfolio.
- Fixed Income Investments
 - U.S. Government and Agency Securities
 - Corporate Notes and Bonds
 - Mortgage Backed Securities
 - Preferred Stock
 - Foreign Governments and Corporations
 - GIC – Guaranteed Investment Contracts
 - Fixed income mutual funds or comingled pools
- Equity Investments
 - Common Stocks, both domestic and international, and REITs (Real Estate Investment Trusts)
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - Equity mutual funds or comingled pools



APPENDIX

METROHEALTH: EXECUTIVE SUMMARY

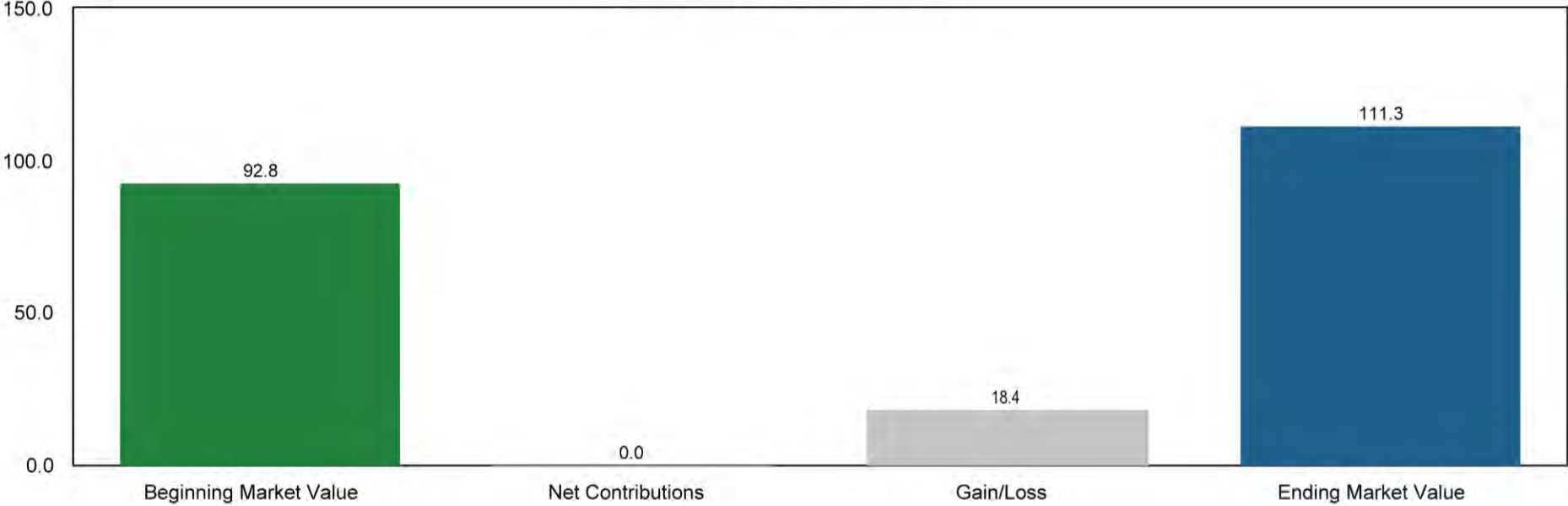
	Market Value 07/01/2023	Market Value 09/30/2023	% of Portfolio	3rd Quarter 2023 (%)	YTD (%)
Total Plan	\$445,899,836	\$485,266,395	100.0	-0.3	3.9
Non-Reserve Long-Term Pool	\$115,653,282	\$111,260,975	22.9	-3.8	10.1
<i>Non-Reserve LT Pool Benchmark¹</i>				-3.4	11.0
Total Equity	\$115,386,075	\$111,240,519	22.9	-3.8	10.2
Total Domestic Equity	\$96,711,832	\$93,759,347	19.3	-3.3	11.3
<i>Russell 3000 Index</i>				-3.3	12.4
Total International Equity	\$18,674,243	\$17,481,172	3.6	-6.4	4.4
<i>MSCI AC World ex USA (Net)</i>				-3.8	5.3
Total Fixed Income & Cash	\$267,207	\$20,456	0.0	1.2	3.4
Non-Reserve Short-Term Pool	\$99,554,106	\$100,654,836	20.7	1.1	2.9
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				0.7	1.7
Reserve Pool	\$230,692,448	\$273,350,584	56.3	0.7	2.2
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				0.7	1.7

¹Russell 3000 Index: 80.00%, MSCI AC World ex USA (Net): 20.00%

METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: NON-RESERVE LONG-TERM POOL

	Q4-2022	Q1-2023	Q2-2023	Q3-2023	One Year
Non-Reserve Long-Term Pool					
Beginning Market Value	\$92,834,052	\$101,034,784	\$108,152,513	\$115,653,282	\$92,834,052
Contributions	-	-	-	-	-
Distributions	-	-	-	-	-
Net Cash Flows	-	-	-	-	-
Net Investment Change	\$8,200,732	\$7,117,728	\$7,500,769	-\$4,392,307	\$18,426,923
Ending Market Value	\$101,034,784	\$108,152,513	\$115,653,282	\$111,260,975	\$111,260,975
Change \$	\$8,200,732	\$7,117,728	\$7,500,769	-\$4,392,307	\$18,426,923

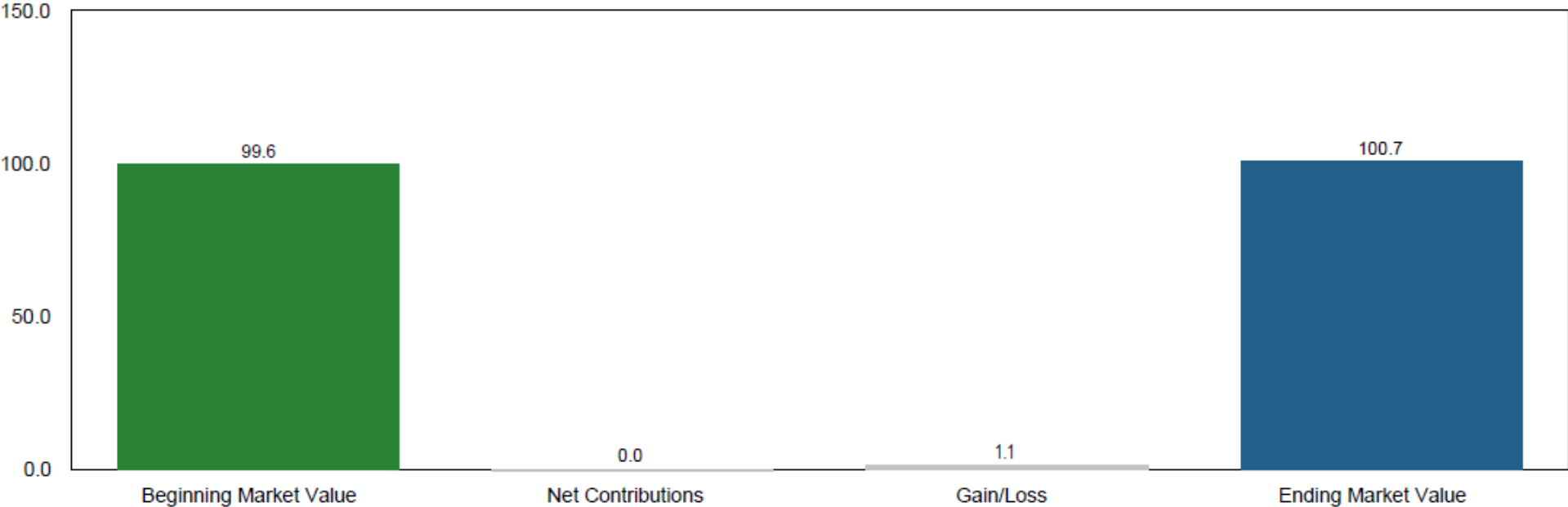
Change in Market Value - 1 Year



METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: NON-RESERVE POOL SHORT-TERM POOL

	Q4-2022	Q1-2023	Q2-2023	Q3-2023	One Year
Non-Reserve Short-Term Pool					
Beginning Market Value	\$96,826,645	\$97,797,931	\$99,212,309	\$99,554,106	\$96,826,645
Contributions	-	-	-	-	-
Distributions	-	-	-	-	-
Net Cash Flows	-	-	-	-	-
Net Investment Change	\$971,287	\$1,414,378	\$341,796	\$1,100,730	\$3,828,191
Ending Market Value	\$97,797,931	\$99,212,309	\$99,554,106	\$100,654,836	\$100,654,836
Change \$	\$971,287	\$1,414,378	\$341,796	\$1,100,730	\$3,828,191

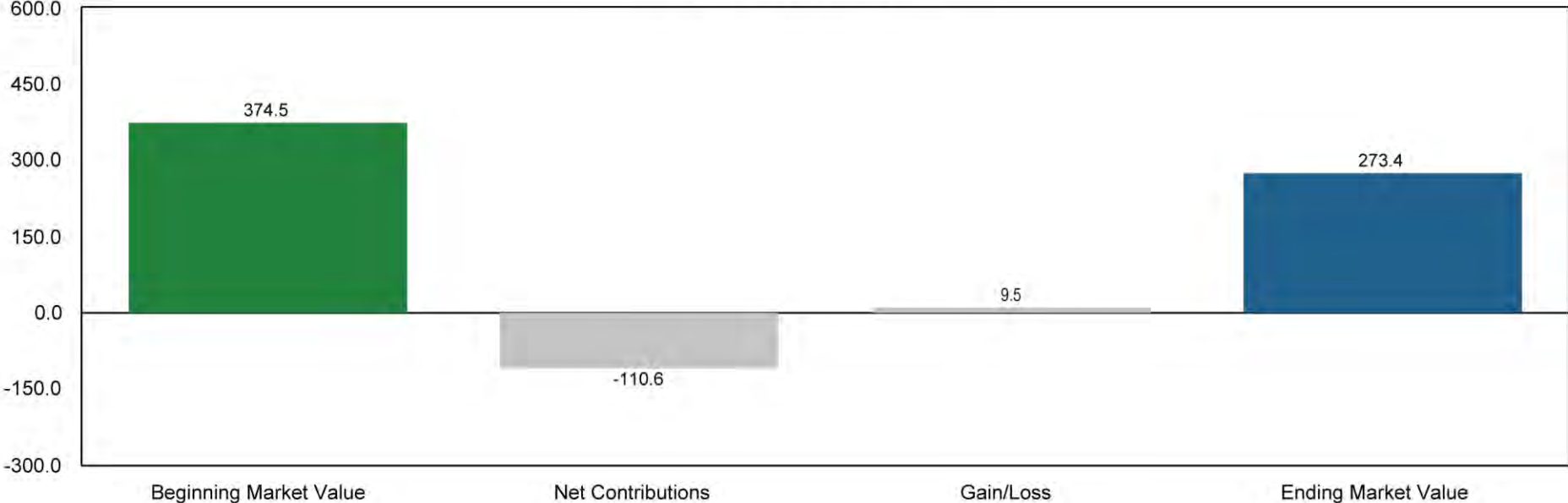
Change in Market Value - 1 Quarter



METROHEALTH: ATTRIBUTION OF MARKET VALUE CHANGE: RESERVE POOL

	Q4-2022	Q1-2023	Q2-2023	Q3-2023	One Year
Reserve Pool					
Beginning Market Value	\$374,515,684	\$327,003,239	\$311,641,661	\$230,692,448	\$374,515,684
Contributions	-	\$5,504	\$25,064,708	\$50,864,015	\$75,934,227
Distributions	-\$50,106,667	-\$20,153,532	-\$106,150,107	-\$10,152,685	-\$186,562,991
Net Cash Flows	-\$50,106,667	-\$20,148,028	-\$81,085,399	\$40,711,330	-\$110,628,763
Net Investment Change	\$2,594,222	\$4,786,450	\$136,186	\$1,946,806	\$9,463,664
Ending Market Value	\$327,003,239	\$311,641,661	\$230,692,448	\$273,350,584	\$273,350,584
Change \$	-\$47,512,445	-\$15,361,578	-\$80,949,213	\$42,658,136	-\$101,165,100

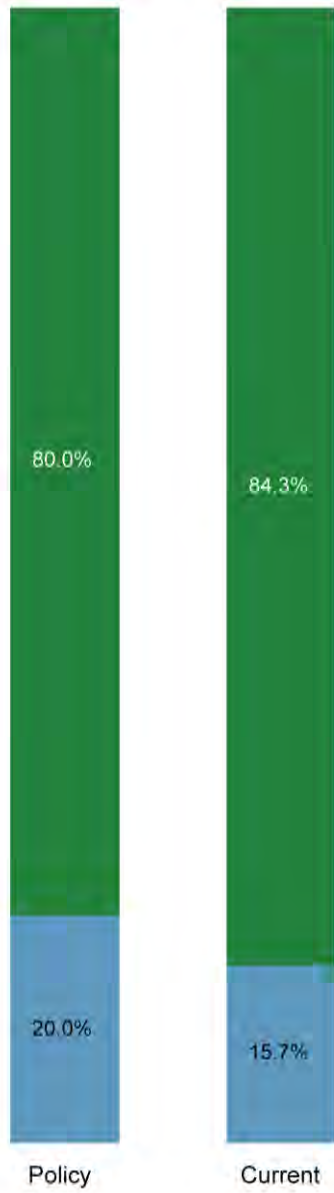
Change in Market Value - 1 Year



METROHEALTH: SCHEDULE OF ASSETS

	Ticker	Account Type	Market Value 09/30/2023	% of Portfolio
Total Plan			\$485,266,395	100.0
Non-Reserve Long-Term Pool			\$111,260,975	22.9
Total Equity			\$111,240,519	22.9
Total Domestic Equity			\$93,759,347	19.3
Vanguard Institutional Index	VINIX	US Stock Large Cap Core	\$46,476,011	9.6
Vanguard FTSE Social Index I	VFTNX	US Stock Large Cap Growth	\$8,398,798	1.7
AQR Large Cap Defensive Style Instl	AUEIX	US Stock Large Cap Core	\$7,247,313	1.5
Harbor Capital Apprec. Instl	HACAX	US Stock Large Cap Growth	\$7,237,998	1.5
DFA U.S. Lg Cap Value Instl	DFLVX	US Stock Large Cap Value	\$6,996,020	1.4
Vanguard Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	\$8,727,078	1.8
Harbor Small Cap Growth Instl	HASGX	US Stock Small Cap Growth	\$4,349,577	0.9
Boston Partners Sm Cap Value II I	BPSIX	US Stock Small Cap Value	\$4,326,553	0.9
Total International Equity			\$17,481,172	3.6
Invesco Oppenheimer Int'l Growth R6	OIGIX	Non-US Stock Developed	\$6,757,015	1.4
Transamerica International Equity I	TSWIX	Non-US Stock Developed	\$7,241,844	1.5
Allspring Emerging Mkts Equity Instl	EMGNX	Non-US Stock Emerging	\$3,482,313	0.7
Total Fixed Income & Cash			\$20,456	0.0
First American Govt Obligations Y	FGVXX	Cash	\$20,456	0.0
Non-Reserve Short-Term Pool			\$100,654,836	20.7
Vanguard Ultra-Short-Term Bond Adm	VUSFX	US Fixed Income Short Term	\$51,449,907	10.6
Lord Abbett Short Duration Income F3	LOLDX	US Fixed Income Short Term	\$49,204,929	10.1
Reserve Pool			\$273,350,584	56.3
Total Fixed Income			\$273,350,584	56.3
US Bank Investment Account		US Fixed Income	\$157,540,236	32.5
Fifth-Third Managed		US Fixed Income	\$40,065,617	8.3
Key Bank Money Market		Cash	\$34,887,429	7.2
PNC Money Market		US Fixed Income	\$40,857,302	8.4

METROHEALTH: ASSET ALLOCATION COMPLIANCE: NON-RESERVE POOL



	Current	Policy	Difference	Policy Range	Within Range
Total Domestic Equity	84.3	80.0	4.3	0.0 - 100.0	Yes
Total International Equity	15.7	20.0	-4.3	0.0 - 20.0	Yes
Total Equity	100.0	100.0	0.0		

METROHEALTH: PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Total Plan	100.0	-0.3	3.9	6.0	-0.1	1.3	2.5	-	-	-5.0	3.2	3.9	2.5	Aug-18
Non-Reserve Long-Term Pool	22.9	-3.8	10.1	19.8	-2.0	7.5	7.3	-	-	-19.2	21.9	18.0	7.5	Aug-18
<i>Non-Reserve LT Pool Benchmark</i>		-3.4	11.0	20.6	-1.3	8.3	7.9	-	-	-18.5	21.9	18.8	8.1	
Total Equity	22.9	-3.8	10.2	19.9	-2.0	7.5	7.3	-	-	-19.2	21.9	18.0	7.5	Aug-18
Total Domestic Equity	19.3	-3.3	11.3	19.8	-0.7	8.8	8.5	-	-	-19.0	25.7	18.8	9.0	Aug-18
<i>Russell 3000 Index</i>		-3.3	12.4	20.5	-0.4	9.4	9.1	11.6	11.3	-19.2	25.7	20.9	9.6	
Vanguard Institutional Index	9.6	-3.3	13.0	21.6	1.4	10.1	9.9	12.2	11.9	-18.1	28.7	18.4	10.4	Aug-18
<i>S&P 500 Index</i>		-3.3	13.1	21.6	1.4	10.2	9.9	12.2	11.9	-18.1	28.7	18.4	10.4	
Vanguard FTSE Social Index I	1.7	-3.5	16.4	22.4	-1.1	8.2	10.0	12.7	12.3	-24.2	27.8	22.7	-2.0	Aug-21
<i>S&P 500 Index</i>		-3.3	13.1	21.6	1.4	10.2	9.9	12.2	11.9	-18.1	28.7	18.4	-1.0	
AQR Large Cap Defensive Style Instl	1.5	-2.9	1.7	12.3	-1.4	5.4	7.2	10.3	11.2	-13.8	23.5	13.1	7.9	Aug-18
<i>MSCI USA Minimum Volatility Index</i>		-2.0	1.9	11.8	1.1	6.2	7.0	9.1	10.4	-9.2	21.0	5.8	7.6	
Harbor Capital Apprec. Instl	1.5	-3.4	32.2	30.2	-7.0	2.3	10.4	14.6	13.6	-37.7	15.6	54.4	11.2	Aug-18
<i>Russell 1000 Growth Index</i>		-3.1	25.0	27.7	-0.6	8.0	12.4	15.6	14.5	-29.1	27.6	38.5	13.3	
DFA U.S. Lg Cap Value Instl	1.4	-1.4	2.2	16.6	1.8	13.5	5.6	8.4	8.7	-5.8	28.1	-0.6	5.7	Aug-18
<i>Russell 1000 Value Index</i>		-3.2	1.8	14.4	0.7	11.1	6.2	7.9	8.4	-7.5	25.2	2.8	6.4	
Vanguard Mid Cap Index Adm	1.8	-5.1	3.3	12.6	-4.8	7.3	6.5	8.7	9.0	-18.7	24.5	18.2	6.7	Aug-18
<i>Vanguard Mid Cap Index Benchmark</i>		-5.1	3.3	12.6	-4.8	7.3	6.5	8.7	9.1	-18.7	24.5	18.2	6.7	
Harbor Small Cap Growth Instl	0.9	-6.0	8.3	13.0	-8.2	3.1	6.1	10.3	9.4	-25.5	9.8	38.4	6.8	Aug-18
<i>Russell 2000 Growth Index</i>		-7.3	5.2	9.6	-12.0	1.1	1.6	6.8	6.7	-26.4	2.8	34.6	2.2	
Boston Partners Sm Cap Value II I	0.9	0.0	5.0	14.7	-1.9	15.0	4.3	6.5	6.6	-11.5	25.8	1.6	-1.4	Dec-21
<i>Russell 2000 Value Index</i>		-3.0	-0.5	7.8	-5.8	13.3	2.6	5.9	6.2	-14.5	28.3	4.6	-6.4	
Total International Equity	3.6	-6.4	4.4	20.7	-8.2	1.0	1.6	-	-	-20.5	6.1	14.4	0.9	Aug-18
<i>MSCI AC World ex USA (Net)</i>		-3.8	5.3	20.4	-5.1	3.7	2.6	4.7	3.3	-16.0	7.8	10.7	2.2	
Invesco Oppenheimer Int'l Growth R6	1.4	-8.6	5.7	20.9	-10.9	-0.5	2.9	4.0	3.4	-27.0	11.0	22.4	2.0	Aug-18
<i>MSCI AC World ex USA (Net)</i>		-3.8	5.3	20.4	-5.1	3.7	2.6	4.7	3.3	-16.0	7.8	10.7	2.2	
Transamerica International Equity I	1.5	-4.6	5.4	26.1	-2.8	6.4	2.6	4.4	3.5	-14.1	13.2	6.8	2.2	Aug-18
<i>MSCI EAFE (Net)</i>		-4.1	7.1	25.6	-3.0	5.8	3.2	5.3	3.8	-14.5	11.3	7.8	2.9	
Allspring Emerging Mkts Equity Instl	0.7	-5.6	0.1	10.5	-12.8	-5.0	0.4	2.2	1.5	-19.5	-11.9	21.3	-5.7	Nov-20
<i>MSCI Emerging Markets (Net)</i>		-2.9	1.8	11.7	-10.4	-1.7	0.6	3.2	2.1	-20.1	-2.5	18.3	-2.5	
Total Fixed Income & Cash	0.0	1.2	3.4	4.2	2.3	1.5	1.4	-	-	1.1	0.0	0.3	1.4	Aug-18
First American Govt Obligations Y	0.0	1.2	3.4	4.2	2.3	1.6	1.4	1.2	0.9	1.3	0.0	0.3	1.4	Aug-18
<i>90 Day U.S. Treasury Bill</i>		1.3	3.6	4.5	2.5	1.7	1.7	1.5	1.1	1.5	0.0	0.7	1.7	

METROHEALTH: PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2022 (%)	2021 (%)	2020 (%)	Inception (%)	Inception Date
Non-Reserve Short-Term Pool	20.7	1.1	2.9	4.0	0.0	-	-	-	-	-2.6	-	-	0.2	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.7	1.7	2.4	-1.4	-0.9	1.0	0.8	0.8	-3.8	-0.6	3.2	-1.2	
Vanguard Ultra-Short-Term Bond Adm	10.6	1.2	3.3	4.3	1.4	1.1	1.9	1.7	-	-0.4	0.2	2.1	1.2	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.7	1.7	2.4	-1.4	-0.9	1.0	0.8	0.8	-3.8	-0.6	3.2	-1.2	
Lord Abbett Short Duration Income F3	10.1	1.0	2.5	3.6	-1.1	0.2	1.7	1.7	1.9	-4.5	1.2	3.2	-0.7	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.7	1.7	2.4	-1.4	-0.9	1.0	0.8	0.8	-3.8	-0.6	3.2	-1.2	
Reserve Pool	56.3	0.7	2.2	2.9	0.1	0.1	1.4	-	-	-1.6	-0.3	2.5	1.5	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.7	1.7	2.4	-1.4	-0.9	1.0	0.8	0.8	-3.8	-0.6	3.2	1.0	
Total Fixed Income	56.3	0.7	2.2	2.9	0.1	0.1	1.4	-	-	-1.6	-0.3	2.5	1.5	Aug-18
US Bank Investment Account	32.5	0.6	2.2	2.9	-1.0	-0.6	1.2	-	-	-3.5	-0.4	2.9	1.2	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.7	1.7	2.4	-1.4	-0.9	1.0	0.8	0.8	-3.8	-0.6	3.2	1.0	
Fifth-Third Managed	8.3	0.1	1.3	2.2	-2.1	-1.5	1.0	-	-	-4.8	-1.1	4.3	1.0	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.7	1.7	2.4	-1.4	-0.9	1.0	0.8	0.8	-3.8	-0.6	3.2	1.0	
Key Bank Money Market	7.2	1.0	2.4	2.5	1.2	0.8	-	-	-	0.1	0.0	-	0.8	Oct-20
<i>90 Day U.S. Treasury Bill</i>		1.3	3.6	4.5	2.5	1.7	1.7	1.5	1.1	1.5	0.0	0.7	1.7	
PNC Money Market	8.4	1.3	3.6	4.5	2.5	1.7	1.6	-	-	1.5	0.0	0.4	1.6	Aug-18

METROHEALTH: TIME-WEIGHTED AND MONEY-WEIGHTED RETURNS

	Q3-2023 (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Time Weighted	-0.27	3.91	6.02	1.33	2.50	-	2.48
Money Weighted	-0.27	4.02	6.31	1.12	2.21	-	2.18

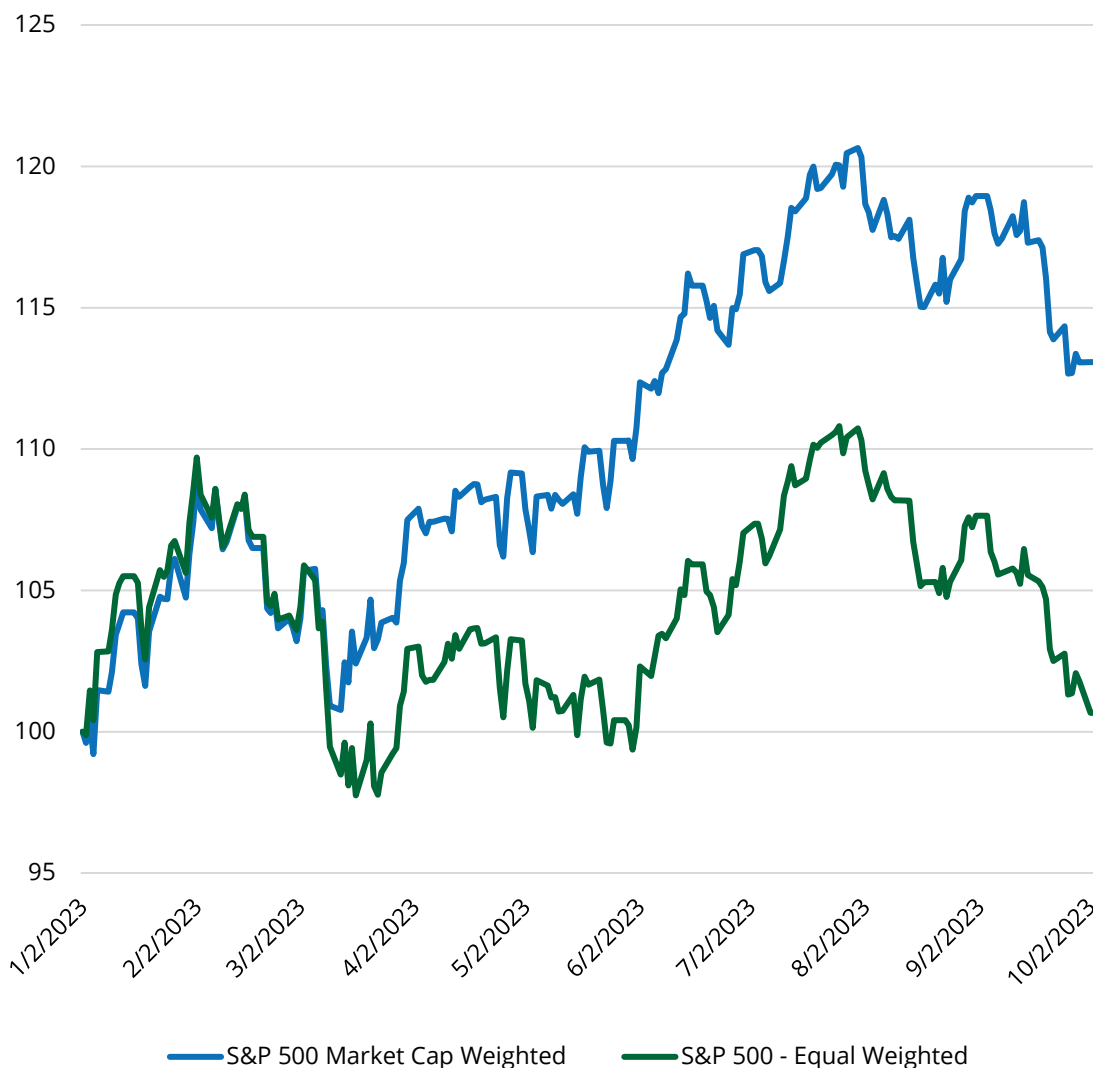
ASSET CLASS RETURNS

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023	2023 YTD
Sm/Mid 36.8%	Large Cap 13.7%	Large Cap 1.4%	Sm/Mid 17.6%	Em Mkt 37.3%	Cash 1.9%	Large Cap 31.5%	Sm/Mid 20.0%	Large Cap 28.7%	Cash 1.5%	Dev Intl 8.5%	Large Cap 8.7%	Cash 1.3%	Large Cap 13.1%
Large Cap 32.4%	Sm/Mid 7.1%	US Bonds 0.6%	Hi Yld 17.5%	Dev Intl 25.0%	US Bonds 0.0%	Sm/Mid 27.8%	Large Cap 18.4%	Sm/Mid 18.2%	Hdg Fnds -4.7%	Large Cap 7.5%	Sm/Mid 5.2%	Hdg Fnds 0.7%	Dev Intl 7.1%
Dev Intl 22.8%	US Bonds 6.0%	Cash 0.1%	Large Cap 12.0%	Large Cap 21.8%	Glb Bond -0.9%	Dev Intl 22.0%	Em Mkt 18.3%	Dev Intl 11.3%	Hi Yld -11.2%	Em Mkt 4.0%	Dev Intl 3.0%	Hi Yld 0.5%	Hi Yld 6.0%
Hdg Fnds 9.0%	Hdg Fnds 3.4%	Hdg Fnds -0.3%	Em Mkt 11.2%	Sm/Mid 16.8%	Hi Yld -2.3%	Em Mkt 18.4%	Hdg Fnds 10.9%	Hdg Fnds 6.5%	US Bonds -13.0%	Hi Yld 3.7%	Hi Yld 1.6%	Em Mkt -2.9%	Cash 3.7%
Hi Yld 7.4%	Hi Yld 2.5%	Dev Intl -0.8%	US Bonds 2.7%	Glb Bond 9.3%	Hdg Fnds -4.0%	Hi Yld 14.4%	Glb Bond 9.5%	Hi Yld 5.4%	Dev Intl -14.5%	Sm/Mid 3.4%	Hdg Fnds 1.5%	US Bonds -3.2%	Sm/Mid 3.6%
Cash 0.1%	Cash 0.0%	Sm/Mid -2.9%	Glb Bond 1.9%	Hdg Fnds 7.8%	Large Cap -4.4%	US Bonds 8.8%	Dev Intl 7.8%	Cash 0.1%	Large Cap -18.1%	Glb Bond 3.1%	Cash 1.2%	Large Cap -3.3%	Hdg Fnds 3.0%
US Bonds -2.0%	Em Mkt -2.2%	Hi Yld -4.6%	Dev Intl 1.0%	Hi Yld 7.5%	Sm/Mid -10.0%	Hdg Fnds 8.4%	US Bonds 7.5%	US Bonds -1.5%	Sm/Mid -18.4%	US Bonds 3.0%	EM Mkt 0.9%	Dev Intl -4.4%	EM Mkt 1.8%
Em Mkt -2.6%	Glb Bond -2.8%	Glb Bond -4.8%	Hdg Fnds 0.5%	US Bonds 3.5%	Dev Intl -13.8%	Glb Bond 5.0%	Hi Yld 6.2%	Em Mkt -2.5%	Glb Bond -19.6%	Hdg Fnds 1.6%	US Bonds -0.8%	Glb Bond -4.7%	US Bonds -1.2%
Glb Bond -4.9%	Dev Intl -4.5%	Em Mkt -14.9%	Cash 0.3%	Cash 0.9%	Em Mkt -14.6%	Cash 2.3%	Cash 0.5%	Glb Bond -8.2%	Em Mkt -20.1%	Cash 1.1%	Glb Bonds -2.9%	Sm/Mid -4.8%	Glb Bonds -4.6%

Past performance is not an indicator of future results. Asset classes represented by: Large Cap – S&P 500 Index; Sm/Mid – Russell 2500 Index; Dev Intl – MSCI EAFE Index; Em Mkt – MSCI Emerging Markets Index; Hi Yld – Bank of America Merrill Lynch U.S. High Yield Master II; US Bonds – Barclays Capital U.S. Aggregate; Glb Bond – Barclays Capital Global Treasury ex US; Hdg Fnds – HFRI FOF: Diversified Index; Cash – Merrill Lynch 91-day Tbill . Data as of 9/30/2023. Source: Morningstar Direct.

CONCENTRATED MARKET ENVIRONMENT

YTD Return



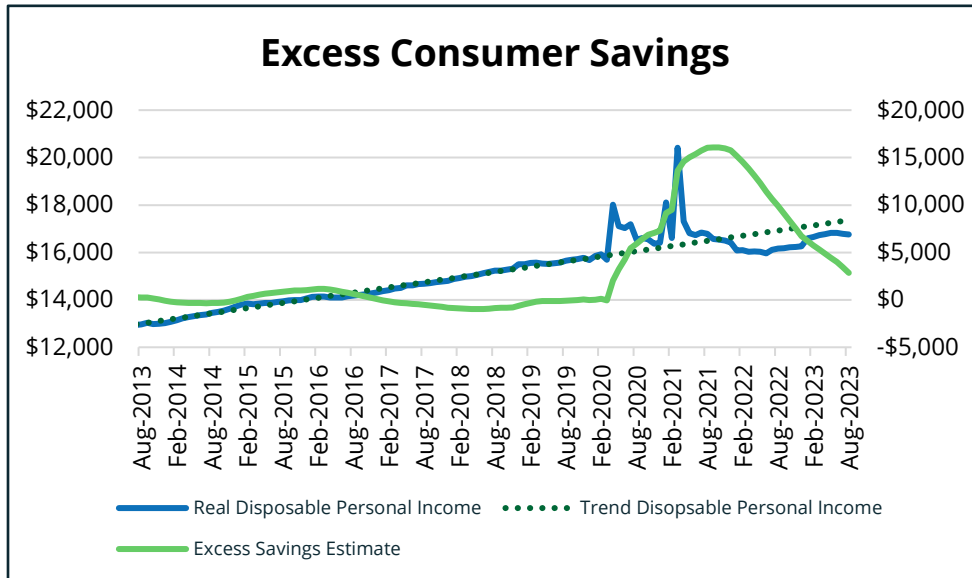
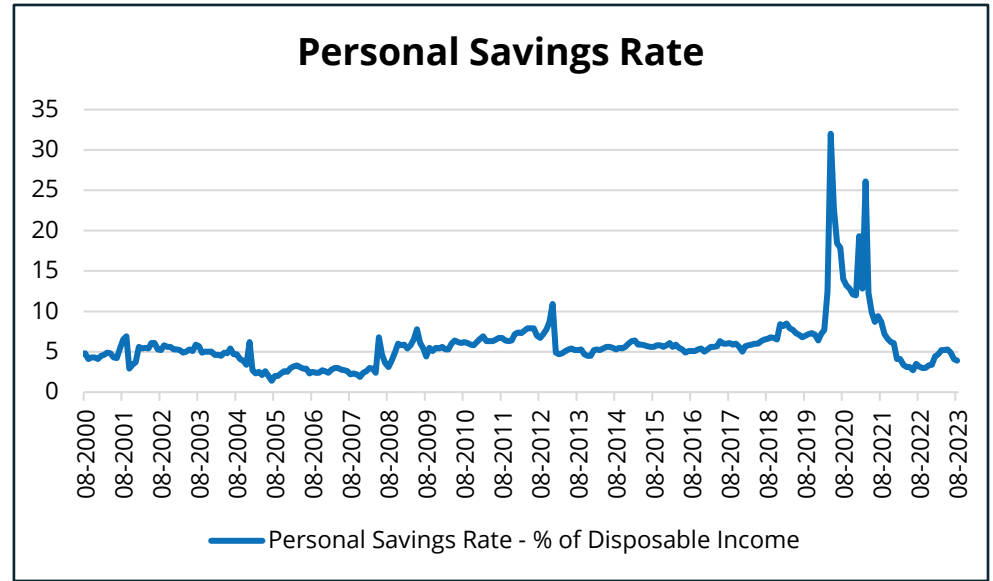
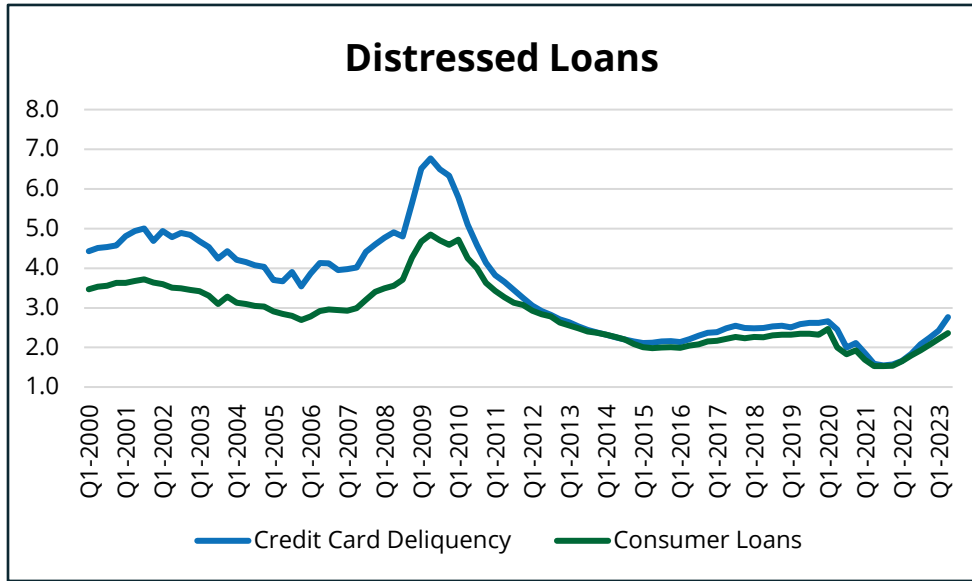
STOCK	AVG. WEIGHT	YTD RETURN	CONTRIBUTION
Apple	7.06%	32.33%	2.01%
Microsoft	6.30%	32.56%	1.86%
Amazon	2.89%	51.33%	1.20%
Google	3.57%	48.32%	1.47%
Nvidia	2.29%	197.76%	2.22%
Tesla	1.59%	103.13%	1.04%
Meta	1.49%	149.47%	1.24%
S&P 500		13.11%	11.04%

THE MAGNIFICENT SEVEN CONTRIBUTED 84% OF S&P 500'S RETURN YEAR-TO-DATE

FORWARD 12-MO P/E	
S&P 500 Index	18.1X
Magnificent 7 (weighted avg)	27.1X
Median S&P 500 Stock	16.5X

Source: Clearstead, Morningstar
Data as of 10/2/2023. Past performance is not an indicator of future results.

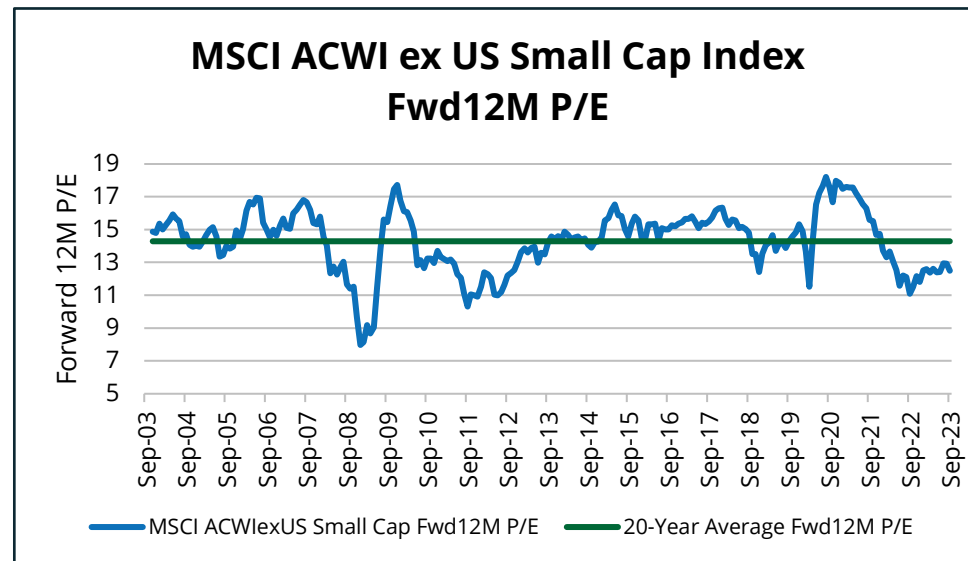
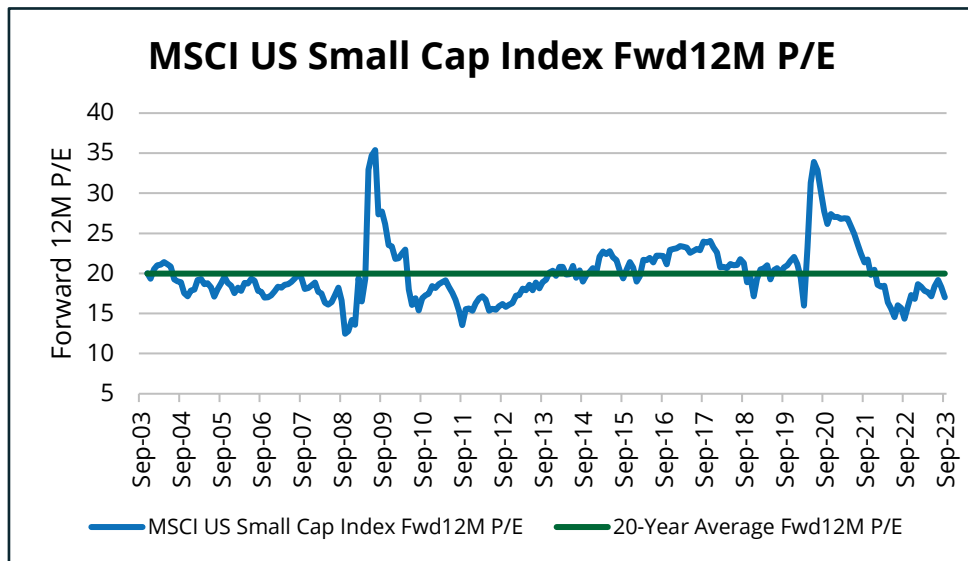
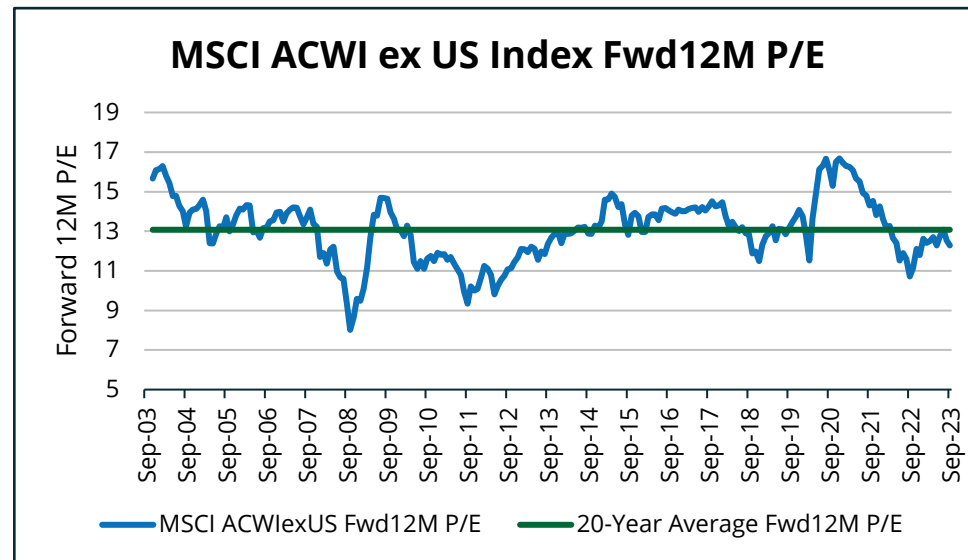
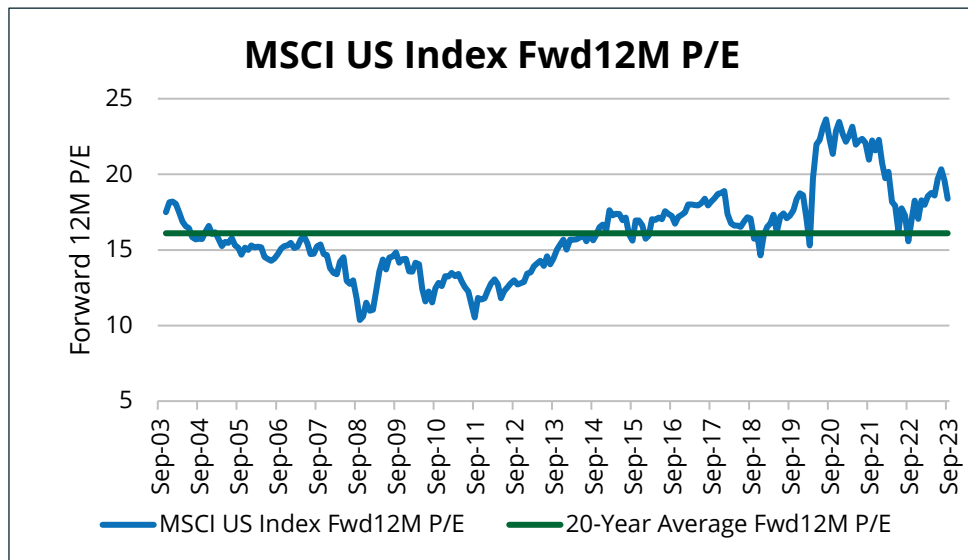
CONSUMER HEADWINDS COME INTO FOCUS



- Consumers are being stretched despite strong employment numbers as inflation bites into real spending.
- Delinquencies are on the rise, savings are falling, and household.

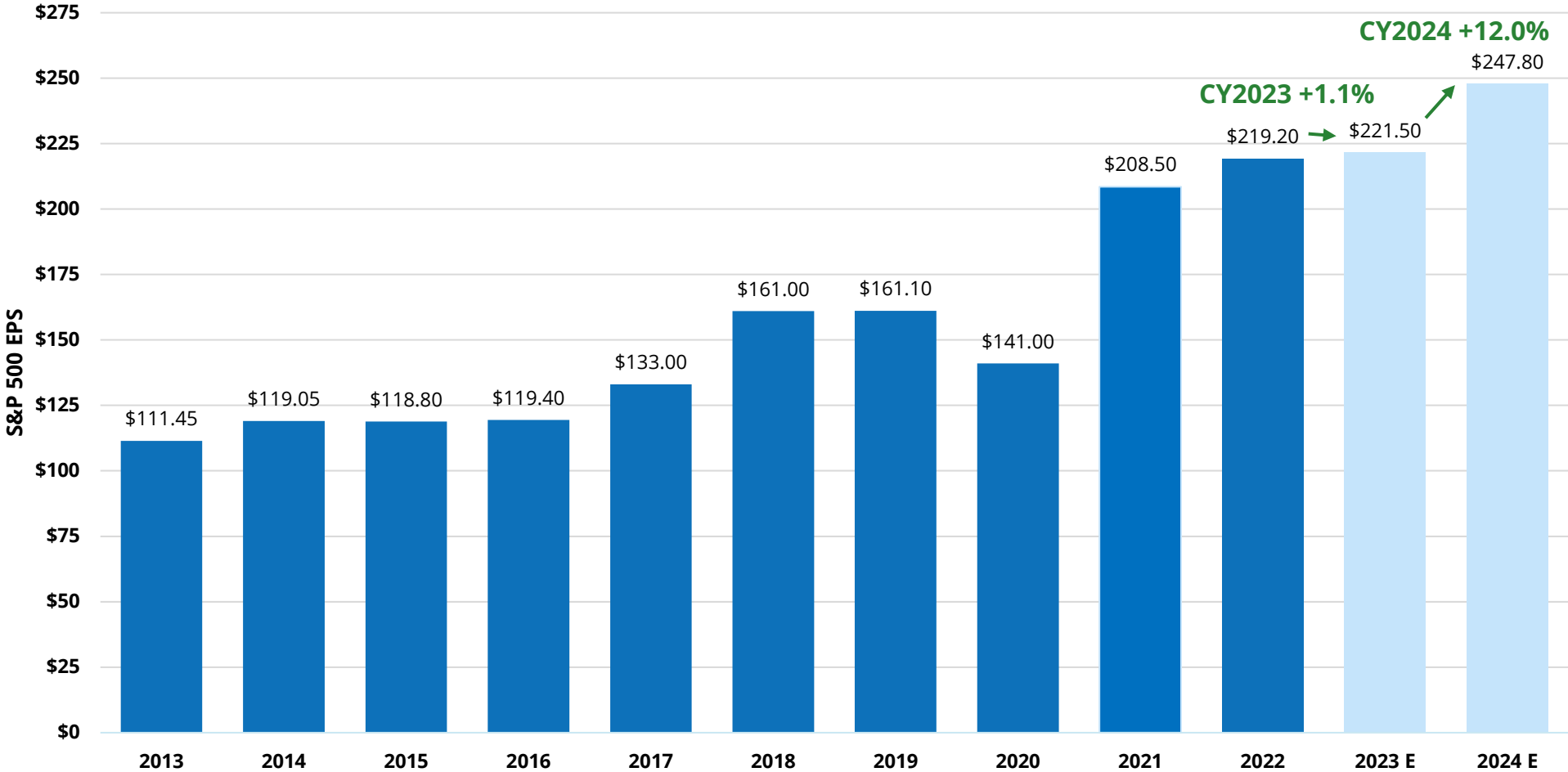
Source: Clearstead, St. Louis Federal Reserve
Data as of 9/30/2023.

GLOBAL EQUITY VALUATIONS



Source: Bloomberg as of 09/30/2023. Average taken over full index history. MSCI USA- 1994 - Current; MSCI USA Small- 1994 - Current; MSCI EAFE- 2003 - Current; MSCI ACWI ex USA- 2003 - Current; MSCI ACWI ex USA Small- 1994 - Current; MSCI EM- 2003.

CORPORATE EARNINGS: S&P 500



- Bottoms up earnings estimates for CY2023 may still be too optimistic.
 - Margin compression and Q1 downgrades has pushed CY2023 EPS towards ~\$220.
 - Expectations for CY2023 could erode to zero; CY2024 estimates currently suggest +11.7% EPS growth.

Source: Factset, Clearstead, data as of 9/29/2023, Past performance is not an indicator of future results

DEFINITIONS AND DISCLOSURES

Information provided is general in nature, is provided for informational purposes only, and should not be construed as investment advice. Any views expressed are based upon the data available at the time the information was produced and are subject to change at any time based on market or other conditions. Clearstead disclaims any liability for any direct or incidental loss incurred by applying any of the information in this presentation. All investment decisions must be evaluated as to whether it is consistent with their investment objectives, risk tolerance, and financial situation.

Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss.

All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. An investment cannot be made in any index.

Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks.

Lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss.

The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state, or local income tax or may be subject to the federal alternative minimum tax. Generally, tax-exempt municipal securities are not appropriate holdings for tax advantaged accounts such as IRAs and 401(k)s.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect your investment.

Index Definitions:

The **S&P 500 Index** is a broad-based market index, comprised of 500 large-cap companies, generally considered representative of the stock market as a whole. The **S&P 400 Index** is an unmanaged index considered representative of mid-sized U.S. companies. The **S&P 600 Index** is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.

The **Russell 1000 Value Index**, **Russell 1000 Index** and **Russell 1000 Growth Index** are indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large-capitalization growth stocks, respectively. The **Russell 2000 Value Index**, **Russell 2000 Index** and **Russell 2000 Growth Index** are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The **Russell Midcap Value Index**, **Russell Midcap Index** and **Russell Midcap Growth Index** are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The **Russell 2500 Value Index**, **Russell 2500 Index** and **Russell 2500 Growth Index** measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "smid" cap. The **Russell 3000 Value Index**, **Russell 3000 Index** and **Russell 3000 Growth Index** measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.

The **Wilshire 5000 Index** represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The **Wilshire Micro Cap Index** is a market capitalization-weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501st rank.

The **MSCI EAFE (Europe, Australasia, Far East) Index** is designed to measure developed market equity performance, excluding the U.S. and Canada. The **MSCI Emerging Markets (EM) Index** is designed to measure global emerging market equity performance. The **MSCI World Index** is designed to measure global developed market equity performance. The **MSCI World Index Ex-U.S. Index** is designed to measure the equity market performance of developed markets and excludes the U.S. The **MSCI Europe Index** is an unmanaged index considered representative of developed European countries. The **MSCI Japan Index** is an unmanaged index considered representative of stocks of Japan. The **MSCI Pacific ex. Japan Index** is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan.

The **U.S. 10-Year Treasury Yield** is generally considered to be a barometer for long-term interest rates.

Merrill Lynch 91-day T-bill index includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.

The **Barclays Capital® (BC) U.S. Treasury Index** is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC Aggregate Bond Index** is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The **BC U.S. Credit Bond Index** is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The **BC U.S. Agency Index** is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The **BC CMBS Index** is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The **BC MBS Index** covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The **BC U.S. Municipal Bond Index** covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The **BC TIPS Index** is an unmanaged market index made up of U.S. Treasury Inflation Linked Index securities. The **BC U.S. Government Bond Index** is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The **BC ABS Index** is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, autos, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing. The **BC Global Aggregate Index** is composed of three sub-indices; the U.S. Aggregate Index, Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad-based measure of the performance of investment grade fixed rate debt on a global scale. The **BC US Corporate Long Aa Index** is an unmanaged index representing public obligations of the U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. The **BC U.S. Corporate High-Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The **BC Intermediate Corporate Index** includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The **BC U.S. Treasury Long Index** is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The **BC U.S. Government 10 Year Treasury Index** measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The **BC BAA Corporate Index** measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The **BC Global Treasury ex US Index** includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The **BC Emerging Market Bond Index** is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. The **BC U.S. Securitized Bond Index** is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities. The **BC Quality Distribution AAA, B, and CC-D Indices** measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. The **BC Universal Index** represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The **BC 1-3 Year Government Credit Index** is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The **BC Long-term Government Index** is an unmanaged index reflecting performance of the long-term government bond market. The **BC Intermediate Aggregate Index** measures the performance of intermediate-term investment grade bonds. The **BC Intermediate 1-3 Year Government/Credit Index** measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The **Bank of America ML U.S. High Yield Index** tracks the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million.

DEFINITIONS AND DISCLOSURES

The **HFRI Funds of Funds Index (HFRI FOF)** is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD

The **NCREIF Property Index (NPI)** represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agent. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI be valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every three years.

The **FTSE NAREIT All REITs Index** is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List.

The **Dow Jones U.S. Select Real Estate Securities Index** is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

The **Cambridge PE Index** is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subordinated debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports.

The **University of Michigan Consumer Sentiment Index** is a consumer confidence index published monthly by the University of Michigan and Thomson Reuters. The index is normalized to have a value of 100 in December 1964.

VIX - The CBOE Volatility Index (VIX) is based on the prices of eight S&P 500 index put and call options.

Gold - represented by the dollar spot price of one troy ounce

WTI Crude - West Texas Intermediate is a grade of crude oil used as a benchmark in oil pricing.

The **Affordability Index** measures of a population's ability to afford to purchase a particular item, such as a house, indexed to the population's income

The **Homeownership %** is computed by dividing the number of owner-occupied housing units by the number of occupied housing units or households.

HFRI Emerging Markets: Asia ex-Japan, Global Index, Latin America Index, Russia/Eastern Europe Index: The constituents of the HFRI Emerging Markets Indices are selected according to their Regional Investment Focus only. There is no Investment Strategy criteria for inclusion in these indices. Funds classified as Emerging Markets have a regional investment focus in one of the following geographic areas: Asia ex-Japan, Russia/Eastern Europe, Latin America, Africa or the Middle East. **HFRI EH: Energy/Basic Materials** strategies which employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist. **HFRI EH: Equity Market Neutral** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRI EH: Quantitative Directional** strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. **HFRI EH: Short-Biased** strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. **HFRI EH: Technology/Healthcare** strategies employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintain a level of expertise which exceeds that of a market generalist in identifying opportunities in companies engaged in all development, production and application of technology, biotechnology and as related to production of pharmaceuticals and healthcare industry. **HFRI ED: Distressed Restructuring** strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. **HFRI ED: Merger Arbitrage** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction. **HFRI ED: Private Issue/Regulation D** strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are primarily private and illiquid in nature. **HFRI Macro: Systematic Diversified** strategies have investment processes typically as function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. **HFRI RV: Fixed Income - Asset Backed** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed income instrument backed physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. **HFRI RV: Fixed Income - Convertible Arbitrage** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. **HFRI RV: Fixed Income - Corporate** includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed income instrument. **HFRI RV: Multi-Strategies** employ an investment thesis is predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. **HFRI RV: Yield Alternatives Index** strategies employ an investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread contains a derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

The **Consumer Price Index (CPI)** is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Unless otherwise noted, the CPI figure is as of the date this report is created.

The **Credit Suisse Leveraged Loan Index** is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated leveraged loan market.

The **Dow Jones-UBS Commodity Index** measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.



MetroHealth

**Unaudited Financial and Operational Results
For the Period Ended September 30, 2023**

**Finance Committee
October 25, 2023**

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Management's Discussion and Analysis
Unaudited Financial and Operational Results
For the Period Ended September 30, 2023

GASB PRONOUNCEMENTS

- GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* has been implemented starting in 2023. The right to use another party's IT software now results in the recognition of a subscription-based information technology arrangement (SBITA) liability and corresponding right-of-use asset on the Statement of Net Position. Additionally, expense associated with SBITAs are now recognized as amortization and interest expense as compared to the prior year in which SBITA expense was recognized within the Purchased Services line of the Statement of Revenues, Expenses, and Changes in Net Position.

EARNINGS BEFORE INTEREST, DEPRECIATION & AMORTIZATION (EBIDA) & OPERATING LOSS

- EBIDA for the nine months ended September 30, 2023, was \$91.0 million, a decrease of \$6.5 million or 6.7% over the same period in 2022, which had an EBIDA of \$97.5 million.
- EBIDA decrease was primarily due to an increase in Salaries, wages and benefits due to overtime, premium pay programs, contract labor and wage increases.
- Operating loss was \$26.9 million for the nine months ended September 30, 2023, compared with operating income of \$14.0 million in the same period of 2022, a decrease of \$40.9 million.

NON-OPERATING REVENUES/EXPENSES & NET INCOME

- Net investment income for the nine months ended September 30, 2023, was \$23.5 million, compared with net investment loss of \$61.3 million in the same period of 2022, an increase of \$84.8 million due largely to improvement in market conditions.
- Net loss for the nine months ended September 30, 2023, was \$4.8 million, compared with net loss of \$48.5 million in the same period of 2022, an improvement of \$43.7 million.

REVENUE

- Total operating revenues for the nine months ended September 30, 2023, were \$1.33 billion, compared to \$1.18 billion in the same period of 2022, an increase of \$152.0 million or 12.9%.
- Net patient service revenue increased \$75.1 million or 8.8%, due to:
 - An increase in various volumes including outpatient visits, emergency visits, and outpatient surgeries. Discharges also increased as compared to last year primarily due to the opening of the Behavioral Health Hospital in Cleveland Heights.
 - The increase in net patient service revenue is also attributed to a shift back to in-person visits versus virtual compared to prior year.
- Other revenue increased \$76.9 million or 23.2%, mainly due to the continued growth in retail pharmacy operations.
- For the nine months ended September 30, 2023, the System experienced a moderate improvement in payor mix as compared to the same period in 2022:
 - Medicare percentage increased 0.5%
 - Commercial percentage increased 0.4%
 - Medicaid percentage decreased 0.7%
 - Self-pay percentage decreased 0.2%
- Inpatient case mix index (CMI), a value used to measure patient acuity and the related resource consumption, for the nine months ended September 30, 2023, was 1.73, which remained consistent with the same period in 2022. Medicare CMI was 1.92, a decrease of 0.5% compared to the same period in 2022, while Medicaid CMI was 1.61, which remained consistent with the same period in 2022.

EXPENSES

- The System recorded total operating expenses before interest, depreciation, and amortization of \$1.24 billion for the nine months ended September 30, 2023, as compared to \$1.08 billion for the same period in 2022, an increase of \$158.6 million or 14.6%.
- The increase in operating expenses was primarily driven by:
 - Salaries, wages, and benefits due to overtime, premium pay programs, contract labor, wage and FTE increases, including the associated benefits and employee health plan costs – \$99.5 million.
 - Pharmaceutical costs related to the continued growth in retail pharmacy operations – \$40.4 million.

EXPENSES (Continued)

- Medical and non-medical supplies related to increased emergency visits, surgical volumes and in-person outpatient visits.
- Purchased services due to life flight operational support provided to affiliates and ongoing transformation operations - \$2.4 million.
- Plant operations due to expanded life flight operations – \$2.9 million.

NET POSITION

- As of September 30, 2023, total assets were \$2.5 billion, a decrease of \$84.1 million from the prior year-end. The change in assets was driven mainly by the following:
 - Unrestricted cash and cash equivalents decreased \$51.2 million from prior year-end balances primarily due to capital purchases, timing of payments to suppliers and collections of receivables.
 - Investments decreased \$26.8 million from prior year-end balances driven by investment disbursements.
 - Restricted assets under bond indenture agreements decreased \$51.3 million from prior year-end balances due to bond fund draws and interest payments made during the period.
 - Net capital assets increased \$22.7 million from prior year-end balances due to ongoing campus transformation with the opening of The Glick Center and the Behavioral Health Hospital in Cleveland Heights in 2022, as well as ongoing construction of the new outpatient building at main campus.
 - Implementation of GASB Statement No. 96 *SBITA*, which resulted in net additional assets of \$16.0 million as compared to prior year-end.
- As of September 30, 2023, total liabilities were \$1.7 billion, a decrease of \$79.3 million from the prior year-end balance.
 - Current liabilities were \$244.4 million, which represents a decrease of \$75.3 million from prior year-end balances. The decrease is largely attributable to the timing of payments to suppliers, payroll-related liabilities, and interest on debt.
 - Long-term liabilities were \$1.5 billion, which represents a decrease of \$0.4 million from prior year-end balances. The decrease is primarily related to the payment of long-term debt obligations, partially offset by an increase in professional liabilities and accrued vacation amounts owed, as well as the implementation of GASB Statement No. 96 *SBITA*.

OPERS ACTUARIAL ADJUSTMENT FOR PENSION (GASB Statement No. 68) AND OTHER POSTEMPLOYMENT BENEFITS (GASB Statement No. 75)

- The GASB Statement No. 68 and GASB Statement No. 75 adjustments are recorded on an annual basis using the results from the OPERS actuary reports.
- In Ohio, employer contributions to the State’s cost-sharing multi-employer retirement systems are established by statute. These contributions are payable to the retirement systems one month in arrears and constitute the full legal claim on the System for pension and other postemployment benefits (OPEB) funding.
- Although the liabilities recognized under GASB Statement No. 68 and GASB Statement No. 75 meet the GASB definition of a liability in its conceptual framework for accounting standards, in Ohio there is no legal means to enforce the underfunded liability of the pension system as against the public employer. Additionally, there are no cash flows associated with the recognition of net pension and net OPEB liabilities, deferrals, and expenses beyond the requirement to make statutory contributions.
- To gain a clearer understanding of the System’s actual financial condition, Net Position, adjusted for the impact of GASB Statement No. 68 (Pensions) and No. 75 (OPEB), by adding the net pension and net OPEB liabilities and deferred inflows related to pensions and OPEB and subtracting the net pension asset and deferred outflows related to pensions and OPEB, is presented in Table 1 below.

Table 1 – Net Position

	<u>9/30/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Net position (deficit):			
Net position (deficit), as reported in the Statement of Net Position	\$ 416,001	\$ 420,778	\$ 231,266
Plus:			
Net pension liability	304,075	304,075	496,483
Deferred inflows related to pensions	377,142	377,142	219,912
Deferred inflows related to OPEB	130,430	130,430	208,263
Less:			
Net pension asset	(23,316)	(23,316)	(16,855)
Net OPEB asset	(124,584)	(124,584)	(68,093)
Deferred outflows related to pensions	(157,086)	(157,086)	(84,496)
Deferred outflows related to OPEB	(6,536)	(6,536)	(40,941)
Total net position, excluding pension and OPEB related amounts	<u>\$ 916,126</u>	<u>\$ 920,903</u>	<u>\$ 945,539</u>



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited			
	NINE MONTHS ENDED SEPTEMBER 30			
	2023	2022	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 925,311	\$ 850,200	\$ 75,111	8.8%
Other revenue ¹	408,926	331,998	76,928	23.2%
Total operating revenues	1,334,237	1,182,198	152,039	12.9%
Operating Expenses				
Salaries and wages	638,978	558,564	80,414	14.4%
OPERS contributions	77,237	68,070	9,167	13.5%
Other employee benefits	78,429	68,471	9,958	14.5%
Purchased services	88,947	86,575	2,372	2.7%
Medical supplies	84,292	78,438	5,854	7.5%
Pharmaceuticals	173,042	132,605	40,437	30.5%
Plant operations	29,890	27,001	2,889	10.7%
Non-medical supplies	12,609	10,053	2,556	25.4%
Other expenses	59,827	54,884	4,943	9.0%
Total operating expenses before interest, depreciation and amortization	1,243,251	1,084,661	158,590	14.6%
Operating income before interest, depreciation and amortization	90,986	97,537	(6,551)	(6.7%)
Depreciation and amortization	75,520	41,911	33,609	80.2%
Interest expense ¹	42,411	41,635	776	1.9%
Operating (loss) income	(26,945)	13,991	(40,936)	(292.6%)
Non-Operating Revenues (Expenses)				
Net investment income (loss)	23,453	(61,260)	84,713	138.3%
Other non-operating expense	(1,285)	(1,193)	(92)	(7.7%)
Noncapital grants and donations	3,808	2,565	1,243	48.5%
Grant expenses and support	(3,808)	(2,565)	(1,243)	(48.5%)
Total non-operating revenues (expenses)	22,168	(62,453)	84,621	135.5%
Loss before OPERS actuarial adjustments	(4,777)	(48,462)	43,685	90.1%
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	(4,777)	(48,462)	43,685	90.1%
Total net position - beginning of period	420,778	231,266	189,512	81.9%
Total net position - end of period	\$ 416,001	\$ 182,804	233,197	127.6%

1 - County Funding, Interest Expense, Research Indirect Revenue, Build America Bond Revenue, Capital Grants and Gifts, and Contribution Revenue are classified as operating activity internally, and non-operating in the audited financial statements.

2 - The GASB Statement No. 68 & GASB Statement No. 75 actuarial pension and OPEB adjustments are recorded on an annual basis using the results from the OPERS actuary reports. This requirement creates an accounting liability rather than a legal liability. In Ohio, there are no legal means to enforce the unfunded liability of the pension and OPEB system against the public employer.



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited			
	NINE MONTHS ENDED SEPTEMBER 30			
	Actual	Target	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 925,311	\$ 911,483	\$ 13,828	1.5%
Other revenue ¹	408,926	338,218	70,708	20.9%
Total operating revenues	1,334,237	1,249,701	84,536	6.8%
Operating Expenses				
Salaries and wages	638,978	594,032	44,946	7.6%
OPERS contributions	77,237	75,261	1,976	2.6%
Other employee benefits	78,429	69,420	9,009	13.0%
Purchased services	88,947	84,141	4,806	5.7%
Medical supplies	84,292	75,032	9,260	12.3%
Pharmaceuticals	173,042	143,698	29,344	20.4%
Plant operations	29,890	29,763	127	0.4%
Non-medical supplies	12,609	10,218	2,391	23.4%
Other expenses	59,827	54,721	5,106	9.3%
Total operating expenses before interest, depreciation and amortization	1,243,251	1,136,286	106,965	9.4%
Operating income before interest, depreciation and amortization	90,986	113,415	(22,429)	(19.8%)
Depreciation and amortization	75,520	66,075	9,445	14.3%
Interest expense ¹	42,411	41,821	590	1.4%
Operating (loss) income	(26,945)	5,519	(32,464)	(588.2%)
Non-Operating Revenues (Expenses)				
Net investment income (loss)	23,453	15,494	7,959	51.4%
Other non-operating expense	(1,285)	-	(1,285)	(100.0%)
Noncapital grants and donations	3,808	1,525	2,283	149.7%
Grant expenses and support	(3,808)	(2,100)	(1,708)	(81.3%)
Total non-operating revenues (expenses)	22,168	14,919	7,249	48.6%
(Loss) income before OPERS actuarial adjustments	(4,777)	20,438	(25,215)	(123.4%)
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	(4,777)	20,438	(25,215)	(123.4%)
Total net position - beginning of period	420,778	420,778	-	0.0%
Total net position - end of period	\$ 416,001	\$ 441,216	(25,215)	(5.7%)

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STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited THREE MONTHS ENDED SEPTEMBER 30			
	2023	2022	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 320,729	\$ 292,573	\$ 28,156	9.6%
Other revenue ¹	139,775	104,135	35,640	34.2%
Total operating revenues	460,504	396,708	63,796	16.1%
Operating Expenses				
Salaries and wages	216,914	191,439	25,475	13.3%
OPERS contributions	25,691	23,125	2,566	11.1%
Other employee benefits	29,591	24,109	5,482	22.7%
Purchased services	28,107	31,802	(3,695)	(11.6%)
Medical supplies	28,151	27,484	667	2.4%
Pharmaceuticals	58,642	47,632	11,010	23.1%
Plant operations	10,191	10,603	(412)	(3.9%)
Non-medical supplies	4,314	3,596	718	20.0%
Other expenses	20,867	17,824	3,043	17.1%
Total operating expenses before interest, depreciation and amortization	422,468	377,614	44,854	11.9%
Operating income before interest, depreciation and amortization	38,036	19,094	18,942	99.2%
Depreciation and amortization	26,788	14,066	12,722	90.4%
Interest expense ¹	14,173	14,015	158	1.1%
Operating loss	(2,925)	(8,987)	6,062	67.5%
Non-Operating Revenues (Expenses)				
Net investment loss	(4,014)	(11,598)	7,584	65.4%
Other non-operating expense	(356)	(724)	368	50.8%
Noncapital grants and donations	1,562	1,040	522	50.2%
Grant expenses and support	(1,562)	(1,044)	(518)	(49.6%)
Total non-operating revenues (expenses)	(4,370)	(12,326)	7,956	64.5%
Loss before OPERS actuarial adjustments	(7,295)	(21,313)	14,018	65.8%
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	(7,295)	(21,313)	14,018	65.8%
Total net position - beginning of period	423,296	204,117	219,179	107.4%
Total net position - end of period	\$ 416,001	\$ 182,804	233,197	127.6%

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2 - The GASB Statement No. 68 & GASB Statement No. 75 actuarial pension and OPEB adjustments are recorded on an annual basis using the results from the OPERS actuary reports. This requirement creates an accounting liability rather than a legal liability. In Ohio, there are no legal means to enforce the unfunded liability of the pension and OPEB system against the public employer.



STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Dollars in Thousands)
Internal Format

	Unaudited			
	THREE MONTHS ENDED SEPTEMBER 30			
	Actual	Target	\$ Variance	% Variance
Operating Revenues				
Net patient service revenue	\$ 320,729	\$ 311,494	\$ 9,235	3.0%
Other revenue ¹	139,775	118,086	21,689	18.4%
Total operating revenues	460,504	429,580	30,924	7.2%
Operating Expenses				
Salaries and wages	216,914	200,330	16,584	8.3%
OPERS contributions	25,691	25,305	386	1.5%
Other employee benefits	29,591	23,770	5,821	24.5%
Purchased services	28,107	27,211	896	3.3%
Medical supplies	28,151	25,518	2,633	10.3%
Pharmaceuticals	58,642	49,366	9,276	18.8%
Plant operations	10,191	10,295	(104)	(1.0%)
Non-medical supplies	4,314	3,376	938	27.8%
Other expenses	20,867	18,249	2,618	14.3%
Total operating expenses before interest, depreciation and amortization	422,468	383,420	39,048	10.2%
Operating income before interest, depreciation and amortization	38,036	46,160	(8,124)	(17.6%)
Depreciation and amortization	26,788	20,625	6,163	29.9%
Interest expense ¹	14,173	13,921	252	1.8%
Operating (loss) income	(2,925)	11,614	(14,539)	(125.2%)
Non-Operating Revenues (Expenses)				
Net investment loss	(4,014)	5,173	(9,187)	(177.6%)
Other non-operating expense	(356)	-	(356)	(100.0%)
Noncapital grants and donations	1,562	-	1,562	100.0%
Grant expenses and support	(1,562)	(441)	(1,121)	(254.2%)
Total non-operating revenues (expenses)	(4,370)	4,732	(9,102)	(192.3%)
(Loss) income before OPERS actuarial adjustments	(7,295)	16,346	(23,641)	(144.6%)
OPERS actuarial adjustments ²	-	-	-	0.0%
Change in net position	(7,295)	16,346	(23,641)	(144.6%)
Total net position - beginning of period	423,296	423,296	-	0.0%
Total net position - end of period	\$ 416,001	\$ 439,642	(23,641)	(5.4%)

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STATEMENTS OF NET POSITION
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Dollars in Thousands)

Assets	Unaudited 9/30/23	Audited 12/31/22	Liabilities	Unaudited 9/30/23	Audited 12/31/22
Current Assets:			Current Liabilities:		
Cash and cash equivalents	\$ 125,121	\$ 176,315	Accounts payable	\$ 79,122	\$ 140,102
Accounts receivable	196,495	164,423	Accrued payroll and related liabilities	62,749	74,617
Allowance for uncollectible accounts	(32,261)	(25,078)	Contribution payable to the Public Employees Retirement System	19,758	15,924
Net accounts receivable	164,234	139,345	Accrued interest payable	7,177	21,062
Other receivables	111,235	120,832	General and professional liabilities	12,890	12,890
Supplies	28,566	28,807	Estimated amounts due to third-party payors	1,115	1,115
Prepaid expenses	9,535	10,604	Accrued vacation and sick leave	9,121	9,116
Total current assets	438,691	475,903	Line of credit	1,292	892
			Lease liability	7,020	6,919
Noncurrent Assets:			Subscription liability	6,675	-
Investments	508,441	535,266	Current installments of long-term debt	11,624	11,051
			Other current liabilities	25,840	26,030
Restricted Assets:			Total current liabilities	244,383	319,718
Cash and cash equivalents	5,535	5,377			
Special purpose investments	2,005	2,022	Long-Term Liabilities, less current installments:		
Under bond indenture agreements	43,808	95,089	General and professional liabilities	33,924	31,753
	51,348	102,488	Estimated amounts due to third-party payors	3,273	3,273
Capital Assets:			Accrued vacation and sick leave	54,022	51,242
Land and construction in progress	348,873	318,195	Other long-term liabilities	496	810
Land improvements	15,047	13,989	Net pension liability ¹	304,075	304,075
Buildings and fixed equipment	1,374,112	1,362,724	Lease liability	67,104	70,111
Equipment	310,559	291,103	Subscription liability	7,178	-
	2,048,591	1,986,011	Long-term debt	1,025,471	1,038,251
Accumulated depreciation	(819,858)	(779,981)	Total long-term liabilities	1,495,543	1,499,515
	1,228,733	1,206,030	Total liabilities	1,739,926	1,819,233
Right-of-use assets:					
Lease assets, net	84,092	88,527	Deferred Inflows of Resources		
Subscription assets, net	15,967	-	Deferred inflows related to pensions ¹	377,142	377,142
	100,059	88,527	Deferred inflows related to OPEB ¹	130,430	130,430
			Deferred inflows related to leases	8,048	8,217
Other Assets:			Total deferred inflows of resources	515,620	515,789
Net pension asset ¹	23,316	23,316			
Net OPEB asset ¹	124,584	124,584	Net Position		
Equity interest in joint ventures	8,444	9,469	Net investment in capital assets	241,251	214,491
Other assets	23,074	25,181	Restricted, debt service payments	19,034	38,083
	179,418	182,550	Restricted, capital asset use	2,250	2,250
Total assets	2,506,690	2,590,764	Restricted, program activities	5,828	5,692
			Restricted, nonspendable	1,550	1,550
			Unrestricted	146,088	158,712
Deferred Outflows of Resources			Total net position	\$ 416,001	\$ 420,778
Deferred outflows related to pensions ¹	157,086	157,086			
Deferred outflows related to OPEB ¹	6,536	6,536			
Deferred amounts on debt refundings	1,235	1,414			
Total deferred outflows of resources	164,857	165,036			

1 - See Management's Discussion and Analysis.



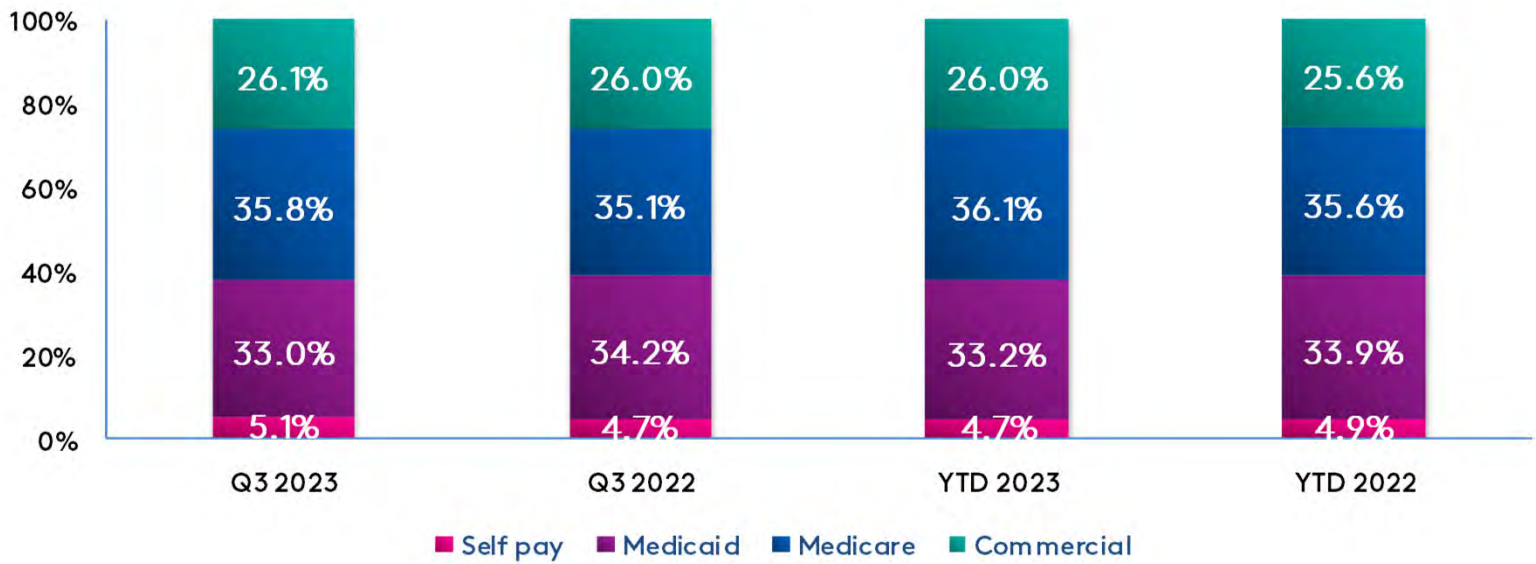
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023
(Dollars in Thousands)

	Unaudited		Unaudited	
	THREE MONTHS ENDED SEPTEMBER 30	THREE MONTHS ENDED SEPTEMBER 30	NINE MONTHS ENDED SEPTEMBER 30	NINE MONTHS ENDED SEPTEMBER 30
	2023	2022	2023	2022
Cash Flows From Operating Activities				
Patient service revenue	\$ 281,042	\$ 268,855	\$ 911,842	\$ 834,212
Advance payments	-	(17,809)	-	(49,488)
Other operating cash receipts	131,776	90,518	385,847	300,348
Payments to suppliers	(151,283)	(116,767)	(483,496)	(363,189)
Payments for compensation and benefits	(258,520)	(230,474)	(799,528)	(720,042)
Net cash flows provided by (used in) operating activities	3,015	(5,677)	14,665	1,841
Cash Flows From Noncapital Financing Activities				
County funding	8,100	8,100	24,300	27,000
Restricted grants, donations and other	3,257	1,786	7,802	5,483
Specific purpose funds expenses	(1,562)	(1,044)	(3,808)	(2,569)
Payments for joint venture equity interests	(765)	(232)	(2,567)	(1,512)
Principal payments on long-term debt	-	-	(1,779)	-
Interest payments on long-term debt	(3,977)	(4,022)	(7,999)	(8,044)
Proceeds from revolving line of credit	-	-	500	206
Principal payments on revolving line of credit	(100)	(1,300)	(100)	(1,300)
Interest payments on revolving line of credit	(26)	(10)	(66)	(35)
Net cash flows provided by noncapital financing activities	4,927	3,278	16,283	19,229
Cash Flows From Capital and Related Financing Activities				
Capital grants and gifts	167	5	1,022	85
Acquisitions and construction	(24,069)	(78,747)	(119,713)	(204,636)
Proceeds from sale of assets	-	13	-	15
Principal payments on long-term debt	(51)	(50)	(9,219)	(146)
Principal payments on leases and subscriptions	(2,692)	(1,320)	(8,980)	(10,967)
Interest payments on long-term debt	(23,354)	(23,584)	(46,943)	(47,178)
Interest payments on leases and subscriptions	(644)	(430)	(1,907)	(1,031)
Build America Bond receipts	1,015	-	3,059	1,018
Net cash flows used in capital and related financing activities	(49,628)	(104,113)	(182,681)	(262,840)
Cash Flows From Investing Activities				
Payments for investment purchases and reinvestments	(40,465)	(58,254)	(181,400)	(138,003)
Proceeds from investment sales and maturities	49,040	113,099	270,353	271,032
Interest received	3,769	5,221	11,744	12,722
Net cash flows provided by investing activities	12,344	60,066	100,697	145,751
Net decrease in cash and cash equivalents	(29,342)	(46,446)	(51,036)	(96,019)
Cash and cash equivalents				
Beginning	159,998	251,683	181,692	301,256
Ending	\$ 130,656	\$ 205,237	\$ 130,656	\$ 205,237
Reconciliation of Operating Income (Loss) to Net Cash Flows Provided by (Used in) Operating Activities				
Operating income (loss)	\$ 867	\$ (4,374)	\$ (14,557)	\$ 25,791
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities				
Depreciation and amortization	26,788	14,066	75,520	41,911
Provision for bad debts	17,990	18,048	55,513	52,150
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Patient accounts receivable	(33,147)	(23,276)	(80,402)	(51,288)
Other assets	(15,725)	(7,501)	5,928	(3,679)
Self-insurance liabilities	806	(633)	2,171	1,728
Advance payments	-	(17,809)	-	(49,488)
Accounts payable and other liabilities	8,335	20,888	(32,224)	(6,785)
Other long-term liabilities	(2,899)	(5,086)	2,716	(8,499)
Net cash flows provided by (used in) operating activities	\$ 3,015	\$ (5,677)	\$ 14,665	\$ 1,841

Payor Mix

(based on gross patient revenue)

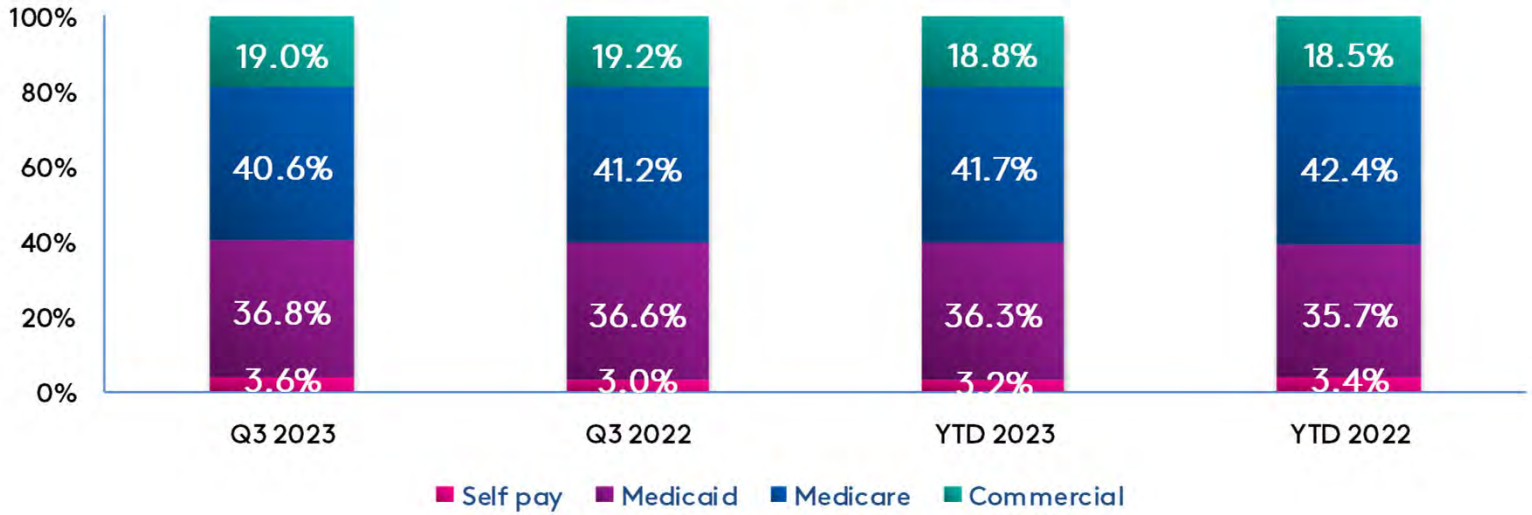
Total Payor Mix



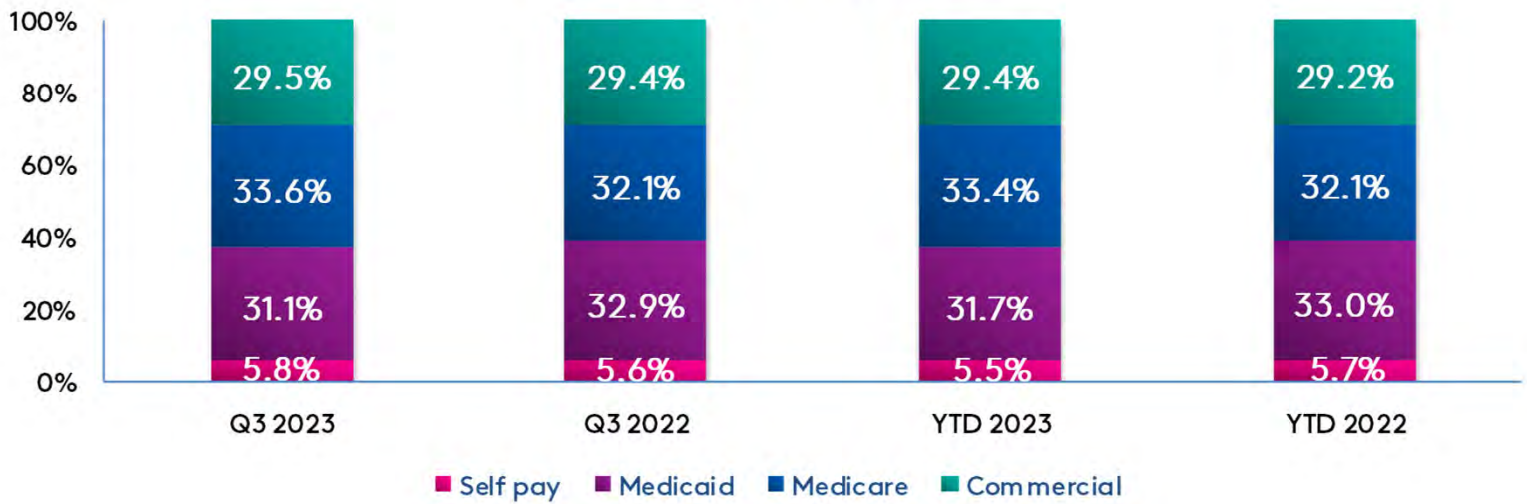
Payor Mix

(based on gross patient revenue)

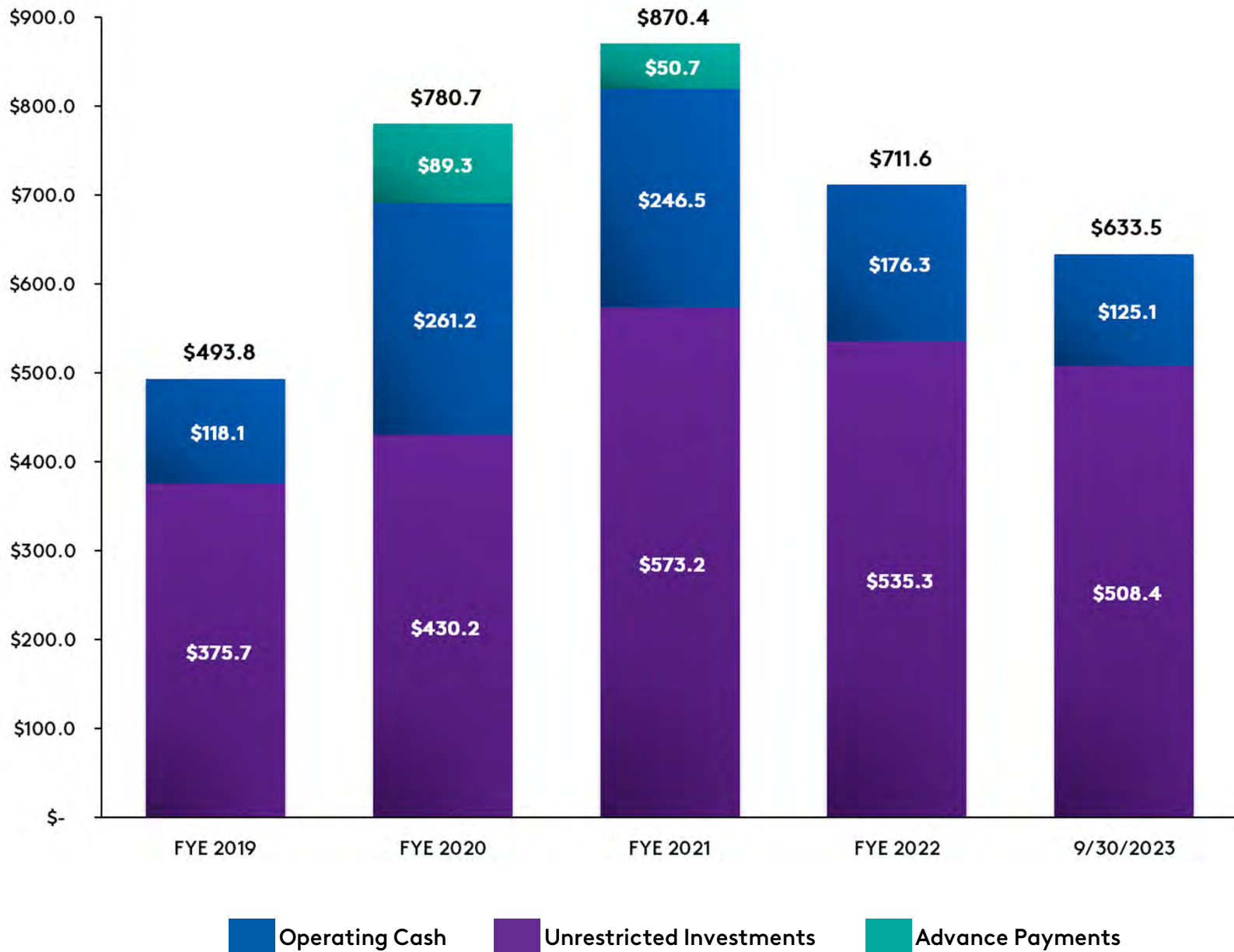
Inpatient Payor Mix



Outpatient Payor Mix



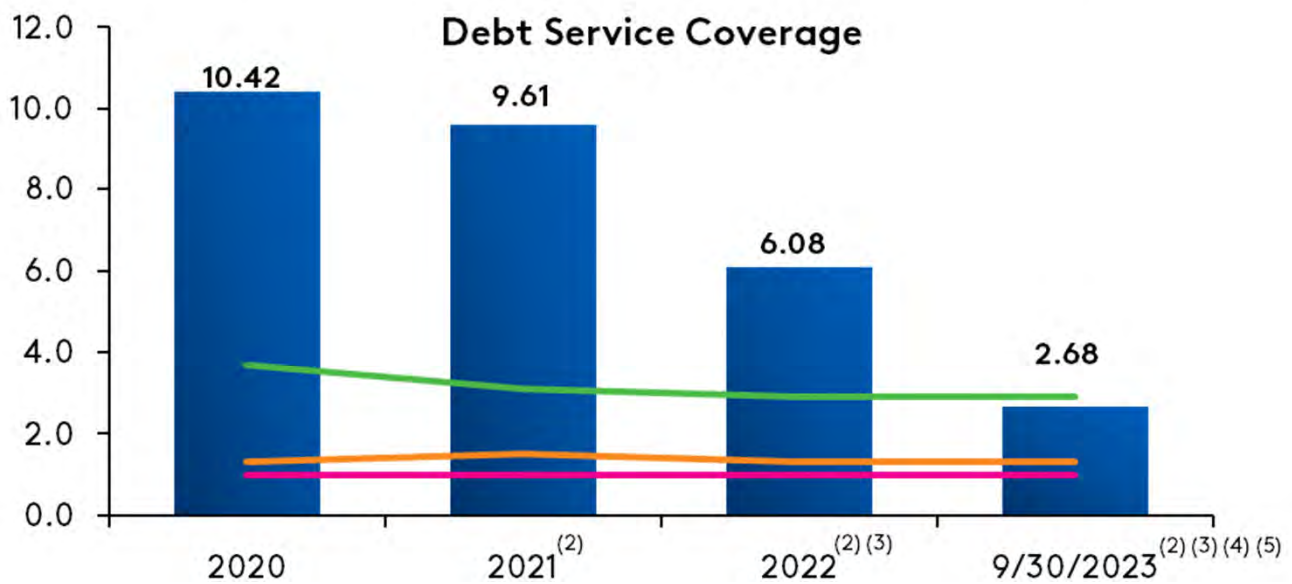
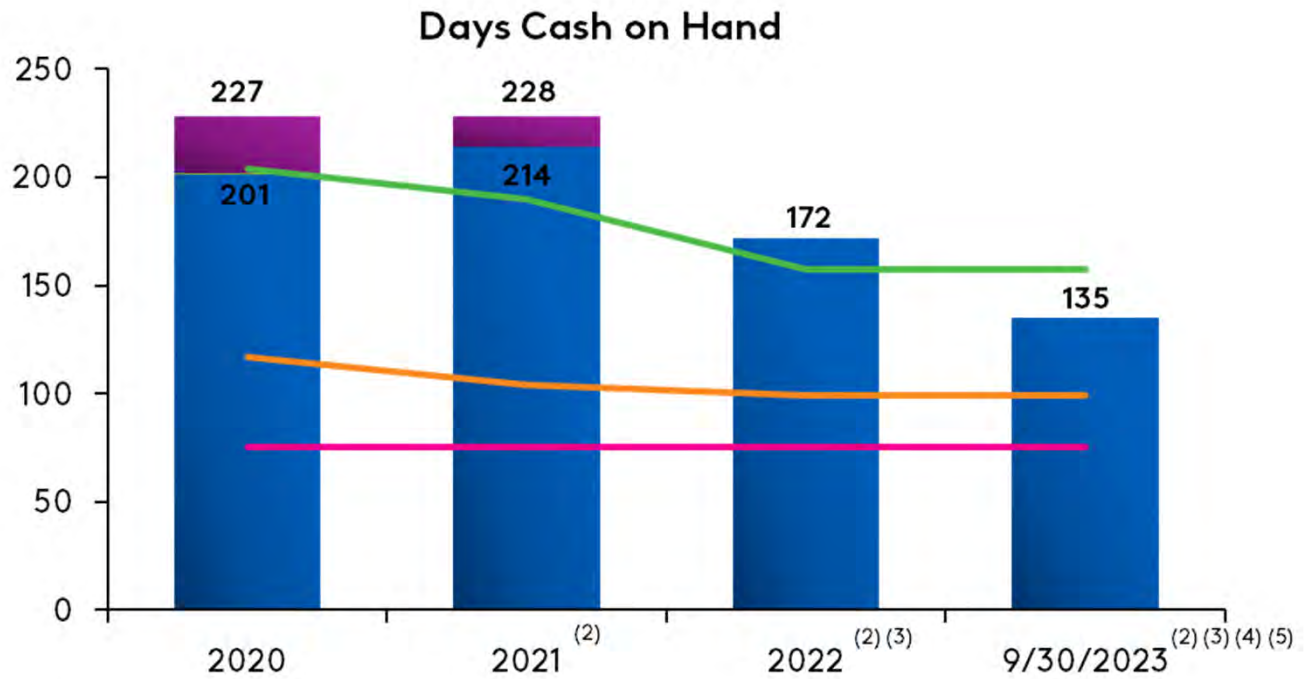
Unrestricted Cash & Investments



Notes:

- The 12/31/2020 & 12/31/2021 balances include \$89.3M and \$50.7M, respectively, in advanced payments from CMS and commercial payors. These advanced payments were repaid as of 12/31/2022.

Covenant Compliance



◆ Requirement ◆ Moody's⁽¹⁾ ◆ S&P⁽¹⁾
■ MetroHealth Results ■ Advance Payments

(1) 'BBB/Baa2' Healthcare System Medians
 (2) Calculations exclude the impact of GASB Statement No. 89
 (3) Calculations exclude the impact of GASB Statement No. 87
 (4) Calculations exclude the impact of GASB Statement No. 96
 (5) Trailing Twelve Months

Credit Rating Strength Diagnostic Tool

Trailing Twelve Months Ended September 2023

September 2023 MetroHealth Metrics vs. Rating Agency Medians (BBB Rating)

	MetroHealth Value	Moody's		S&P	
		Benchmark Medians	Variance	Benchmark Medians	Variance
(1) Operating Margins	-1.50%	-1.40%	-7.06%	-0.90%	-66.54%
(1) Excess Margins	1.12%	0.10%	1016.03%	-2.10%	153.14%
(1) Operating EBITDA Margins	5.90%	4.40%	34.12%	4.10%	43.94%
(1) Cash Flow as % of Total Liabilities	6.74%	N/A	N/A	2.60%	159.14%
(1) Return on Assets	0.80%	0.10%	704.37%	N/A	N/A
Maximum Annual Debt Service Coverage	1.76	2.70	-34.87%	1.30	35.26%
Cash on Hand (Days)	135.30	157.60	-14.15%	99.00	36.66%
Cushion ratio	9.91	17.90	-44.66%	9.90	0.05%
Cash-to-Debt	61.09%	116.80%	-47.70%	74.10%	-17.56%
Account Receivable (days)	48.51	46.80	3.65%	44.60	8.76%
(1) EBITDA Debt Service Coverage	2.68	2.90	-7.42%	N/A	N/A
Capital Spending Ratio (x)	2.96	0.90	229.11%	N/A	N/A
Capital Expenditures as % of Depreciation Expense	296.20%	N/A	N/A	117.20%	152.73%
Debt-to-capitalization	50.61%	33.20%	52.45%	52.60%	-3.78%
(1) Debt-to-Cash Flow (x)	9.97	4.70	112.20%	N/A	N/A
Average Age of Plant (Years)	8.45	13.20	-36.01%	13.60	-37.89%

(1) The GASB Statement No. 68 & GASB Statement No. 75 adjustments, recorded on an annual basis using the results from the OPERS actuary reports, is excluded as there are no cash flows associated with the recognition of net pension and net OPEB liabilities, deferrals and expenses.

Capital Budget Summary

(\$ in Thousands)

Through September 30, 2023						
	Approved	Spent	Committed	Allocated	Balance \$	Balance %
2022	40,000	19,837	9,746	2,188	8,229	20.5%
2023	30,000	4,352	6,335	3,945	15,368	51.2%
Total	\$ 70,000	\$ 24,189	\$ 16,081	\$ 6,133	\$ 23,597	33.7%
		34.6%	23.0%	8.8%	33.7%	

	Approved	Spent	Committed	Allocated	Balance \$	Balance %
Routine/Strategic	27,000	3,938	5,830	3,778	13,454	49.8%
Contingency	2,000	109	333	93	1,465	73.2%
Minor	1,000	305	172	74	449	44.9%
2023	\$ 30,000	\$ 4,352	\$ 6,335	\$ 3,945	\$ 15,368	51.2%

Definitions:

- Spent - Expense already incurred
- Committed - Purchase Order issued or Requisition submitted but expense not incurred
- Allocated - Project approved/pending but no Purchase Orders issued yet, and no expense incurred.

Market Volumes

Volume % Change: August 2023 YTD compared to August 2022 YTD

System	Total Disch (Less New)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Phys Rehab	Psych-Chem
<i>Market (Cuyahoga Hosps)</i>	3.9%	3.7%	2.5%	0.9%	3.3%	4.5%	5.5%	9.7%	-17.8%
MetroHealth	4.7%	0.6%	5.6%	7.6%	7.1%	3.1%	11.6%	23.5%	153.6%
CCHS	9.0%	3.0%	9.1%	7.0%	6.8%	7.8%	9.4%	-1.4%	6.6%
UHHS	0.4%	5.9%	-3.1%	-2.7%	2.6%	3.6%	7.6%	-7.3%	-59.7%
St. Vincent Charity	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		-100.0%
Hospital	Total Disch (Less New)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Phys Rehab	Psych-Chem
MetroHealth*	4.7%	0.6%	5.6%	7.6%	7.1%	3.1%	11.6%	23.5%	153.6%
CCHS Cleveland Clinic*	8.0%		5.8%	9.0%	17.6%	6.6%	6.4%	-1.4%	
CCHS Euclid	11.1%		20.1%	10.6%	6.1%	-7.0%	-6.9%		3.4%
CCHS Fairview	3.9%	1.9%	4.9%	1.3%	0.0%	13.9%	27.9%		-3.7%
CCHS Hillcrest	12.2%	4.4%	9.5%	3.9%	-2.8%	9.6%	4.8%		
CCHS Lutheran	19.6%		21.7%	10.8%	43.5%	21.6%	16.5%		12.1%
CCHS Marymount	7.3%		6.8%	10.9%	12.3%	2.8%	14.2%		4.8%
CCHS South Pointe	16.5%		14.6%	9.6%	29.6%	5.6%	6.7%		
UH Ahuja	5.5%		10.7%	20.4%	32.9%	0.2%	7.7%		
UH (LHS) Beachwood	52.9%		190.2%	112.8%	-44.0%	47.0%	-0.1%		
UH Bedford - closed August 2022	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		
UH Cleveland*	0.5%	6.1%	-10.8%	4.5%	-6.1%	3.7%	18.8%		-100.0%
UH Parma	-2.1%		2.0%	4.5%	22.7%	-5.1%	24.4%	-12.9%	-100.0%
UH Richmond Hts - closed August 2022	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		
UH Southwest General	5.2%	5.0%	7.1%	9.3%	13.5%	12.9%	2.4%	0.8%	-12.5%
UH St. John Medical Center	4.0%		8.5%	13.0%	-3.7%	0.8%	11.3%		
St. Vincent Charity - closed in Nov. 2022	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%		-100.0%

Data Source: Center for Health Affairs (CHA)

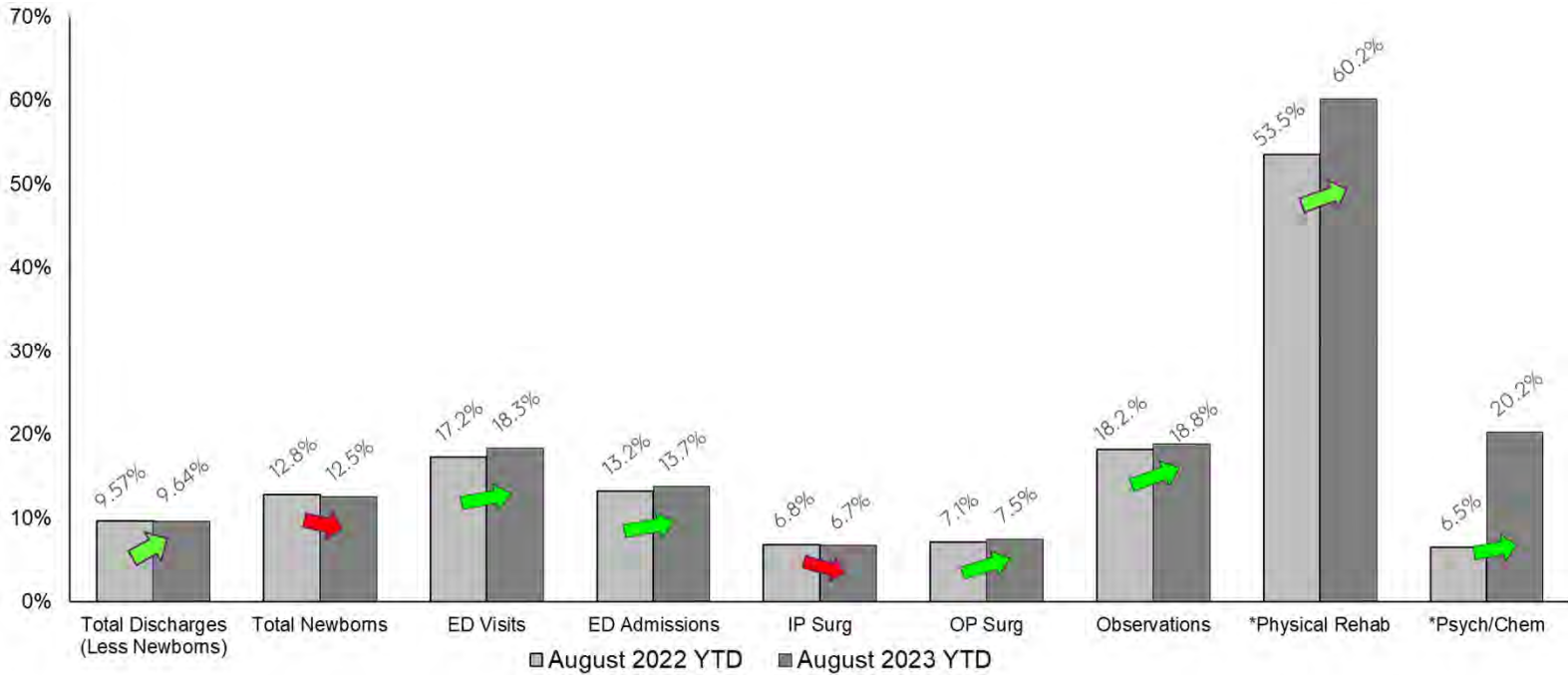
Key	Increasing and outperforming the market
	Decreasing but outperforming the market
	Increasing but underperforming the market
	Decreasing worse than the market

Notes:

- UH Parma Psych unit closed in 2022, and UH Main is not reporting Psych volumes at this time.
- The Rehab column does not capture the full market. Some Rehab hospitals do not report to CHA due to their joint venture status. CC Cleveland Clinic Rehab is CC Children's Rehab.
- CCHS Lakewood FSED is reported here under CC Main Campus, UH Broadview Hts FSED volumes are reported under UH Main.
- MetroHealth ED Visits, ED Admits & Observations include volume from Brecksville, Cleveland Hts & Parma. Total Discharges includes Main Campus, Cleveland Hts & Parma volumes
- UH Parma Psych unit closed in 2022, and UH Main is not reporting Psych volumes at this time.

MetroHealth Market Share

MetroHealth's current YTD market share compared to the market share of the same period in the previous year



1. MetroHealth total Discharges, ED Visits, ED Admits, and Observations include volume from Brecksville, Cleveland Hts, and Parma where applicable.
2. Not all rehab facilities report to CHA, which may increase MetroHealth's share.
3. Physical Rehab and Pysch/Chem based on relatively low volumes.

A decorative graphic in the top right corner of the page, consisting of a cluster of circles in various colors including orange, red, pink, purple, blue, teal, and green. The circles vary in size and are arranged in a pattern that suggests movement or a trail.

Appendix

Quarterly and Year-to-Date Operating Performance - Volumes

Three Months Ended September 30, 2023					Nine Months Ended September 30, 2023				
Actual	Target	Var %	Prior Yr	Var %	Actual	Target	Var %	Prior Yr	Var %
5,216	5,571	(6.4%)	4,903	6.4%	14,754	16,294	(9.5%)	14,654	0.7%
579	640	(9.6%)	579	0.0%	1,627	1,873	(13.1%)	1,642	(0.9%)
526	907	(42.0%)	162	224.7%	1,316	2,034	(35.3%)	499	163.7%
231	188	22.9%	186	24.2%	601	534	12.5%	535	12.3%
5	0	0.0%	0	0.0%	15	0	0.0%	1	1400.0%
6,557	7,306	(10.3%)	5,830	12.5%	18,313	20,735	(11.7%)	17,331	5.7%
2,501	2,616	(4.4%)	2,619	(4.5%)	8,268	7,888	4.8%	7,894	4.7%
9,058	9,922	(8.7%)	8,449	7.2%	26,581	28,623	(7.1%)	25,225	5.4%
309	362	(14.6%)	321	(3.7%)	315	363	(13.3%)	320	(1.5%)
15	13	15.4%	15	0.0%	13	12	6.7%	13	(2.2%)
41	73	(43.8%)	15	173.3%	38	57	(33.5%)	15	146.3%
42	36	16.7%	35	20.0%	38	36	6.0%	37	3.0%
0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
407	484	(15.9%)	386	5.5%	404	468	(13.7%)	385	4.8%
5.44	5.97	8.8%	6.03	9.7%	5.83	6.08	4.2%	5.96	2.2%
2.31	1.81	(28.1%)	2.38	2.8%	2.15	1.71	(25.5%)	2.18	1.3%
7.15	7.38	3.1%	8.43	15.1%	7.86	7.64	(3.0%)	8.42	6.6%
16.72	17.52	4.6%	17.47	4.3%	17.34	18.22	4.8%	18.92	8.3%
2.20	0.00	0.0%	0.00	0.0%	1.87	0.00	0.0%	4.00	53.3%
1.89	1.92	(1.3%)	1.91	(1.0%)	1.92	1.92	0.2%	1.93	(0.5%)
1.62	1.62	(0.2%)	1.64	(1.2%)	1.61	1.62	(0.8%)	1.61	0.0%
1.62	1.64	(1.0%)	1.65	(1.8%)	1.66	1.64	1.4%	1.64	1.2%
1.71	1.73	(1.2%)	1.74	(1.7%)	1.73	1.73	0.1%	1.73	0.0%

System Discharges

Acute	14,754	16,294	(9.5%)	14,654	0.7%
Newborn	1,627	1,873	(13.1%)	1,642	(0.9%)
Behavioral Health Center	1,316	2,034	(35.3%)	499	163.7%
Post Acute/Rehab	601	534	12.5%	535	12.3%
Hospital in the Home	15	0	0.0%	1	1400.0%
Total System Discharges	18,313	20,735	(11.7%)	17,331	5.7%

Total Observations

Total Observations	8,268	7,888	4.8%	7,894	4.7%
Inpatient & Observations	26,581	28,623	(7.1%)	25,225	5.4%

Average Daily Census

Acute	315	363	(13.3%)	320	(1.5%)
Newborn	13	12	6.7%	13	(2.2%)
Behavioral Health Center	38	57	(33.5%)	15	146.3%
Post Acute/Rehab	38	36	6.0%	37	3.0%
Hospital in the Home	0	0	0.0%	0	0.0%
Total System Average Daily Census	404	468	(13.7%)	385	4.8%

Average Length of Stay

Acute	5.83	6.08	4.2%	5.96	2.2%
Newborn	2.15	1.71	(25.5%)	2.18	1.3%
Behavioral Health Center	7.86	7.64	(3.0%)	8.42	6.6%
Post Acute/Rehab	17.34	18.22	4.8%	18.92	8.3%
Hospital in the Home	1.87	0.00	0.0%	4.00	53.3%

Case Mix Index

Medicare	1.92	1.92	0.2%	1.93	(0.5%)
Medicaid	1.61	1.62	(0.8%)	1.61	0.0%
Other	1.66	1.64	1.4%	1.64	1.2%
Total	1.73	1.73	0.1%	1.73	0.0%

Quarterly and Year-to-Date Operating Performance - Volumes

Three Months Ended September 30, 2023					Nine Months Ended September 30, 2023					
Actual	Target	Var %	Prior Yr	Var %	Actual	Target	Var %	Prior Yr	Var %	
675	783	(13.8%)	681	(0.9%)						
437,259	0	0.0%	356,506	22.7%						
249	257	(3.1%)	238	4.6%						
305	239	27.6%	188	62.2%						
269	265	1.6%	327	(17.7%)						
593	659	(10.0%)	527	12.5%						
70,521	74,675	(5.6%)	75,402	(6.5%)						
212,857	199,011	7.0%	192,296	10.7%						
43,491	62,175	(30.1%)	53,285	(18.4%)						
326,869	335,861	(2.7%)	320,983	1.8%						
19,350	19,628	(1.4%)	18,349	5.5%						
18,322	16,833	8.8%	16,716	9.6%						
37,672	36,461	3.3%	35,065	7.4%						
1,257	1,303	(3.5%)	1,293	(2.8%)						
14	21	(33.3%)	9	55.6%						
1,707	1,542	10.7%	1,444	18.2%						
2,513	2,356	6.7%	2,396	4.9%						
5,491	5,222	5.2%	5,142	6.8%						
7,650	7,771	1.5%	7,050	(8.5%)						
207	195	(6.2%)	241	14.1%						
99	123	19.9%	103	3.7%						
7,956	8,089	1.6%	7,394	(7.6%)						
Other Key Volumes										
					Deliveries	1,920	2,246	(14.5%)	1,947	(1.4%)
					Prescriptions Filled	1,256,357	0	0.0%	974,528	28.9%
					Life Flight - Helicopter Metro	603	661	(8.7%)	592	1.9%
					Life Flight - Helicopter ProMedica	704	615	14.5%	188	274.5%
					Life Flight - Ground	796	928	(14.2%)	907	(12.2%)
					Life Flight - Internal MHS Transfers	1,670	1,610	3.7%	1,592	4.9%
OP Visit Volumes										
					Main Campus	214,146	220,105	(2.7%)	221,902	(3.5%)
					Other MH Sites	627,776	584,923	7.3%	538,479	16.6%
					Telehealth	147,627	188,423	(21.7%)	184,213	(19.9%)
					Total Visits	989,549	993,451	(0.4%)	944,594	4.8%
Emergency Visits										
					Main Campus	55,203	56,635	(2.5%)	52,872	4.4%
					Other MH Sites	51,716	48,937	5.7%	46,404	11.4%
					Total Emergency Visits	106,919	105,572	1.3%	99,276	7.7%
Surgical Volumes										
					Main Campus Inpatient	3,812	3,883	(1.8%)	3,788	0.6%
					Parma Health Inpatient	45	60	(25.0%)	55	(18.2%)
					Main Campus Outpatient	4,911	4,537	8.2%	4,338	13.2%
					Other MH Sites OP Surgery	7,683	6,976	10.1%	6,926	10.9%
					Total Cases	16,451	15,456	6.4%	15,107	8.9%
					Regular FTE's	7,481	7,654	2.3%	6,931	(7.9%)
					Overtime FTE's	219	195	(12.3%)	230	4.9%
					Recovery Resource FTE's	102	123	17.4%	102	(0.0%)
					Total Medical Center FTE's	7,802	7,972	2.1%	7,263	(7.4%)



MetroHealth

Q3 2023 Unaudited Financial and Operation Results
Supplemental Waterfall Charts

Finance Committee

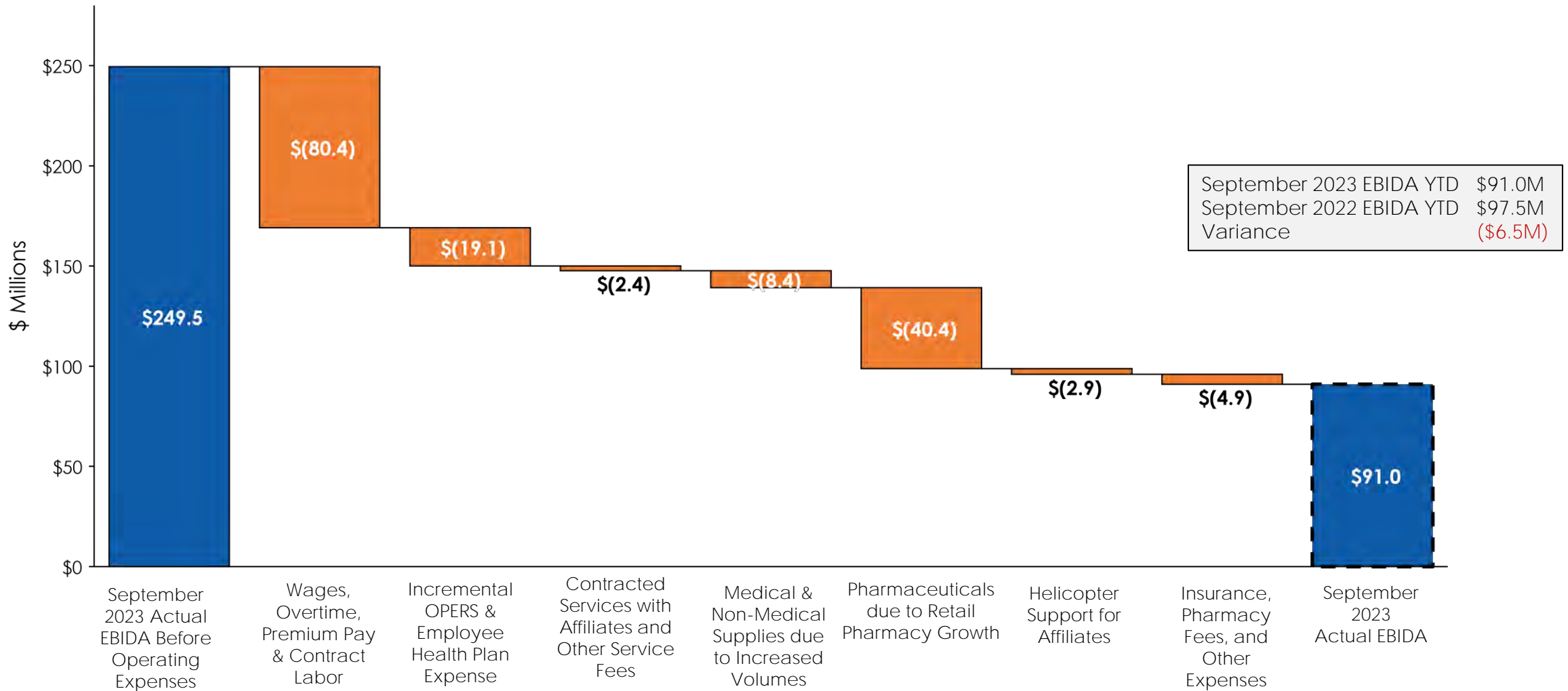
October 25, 2023



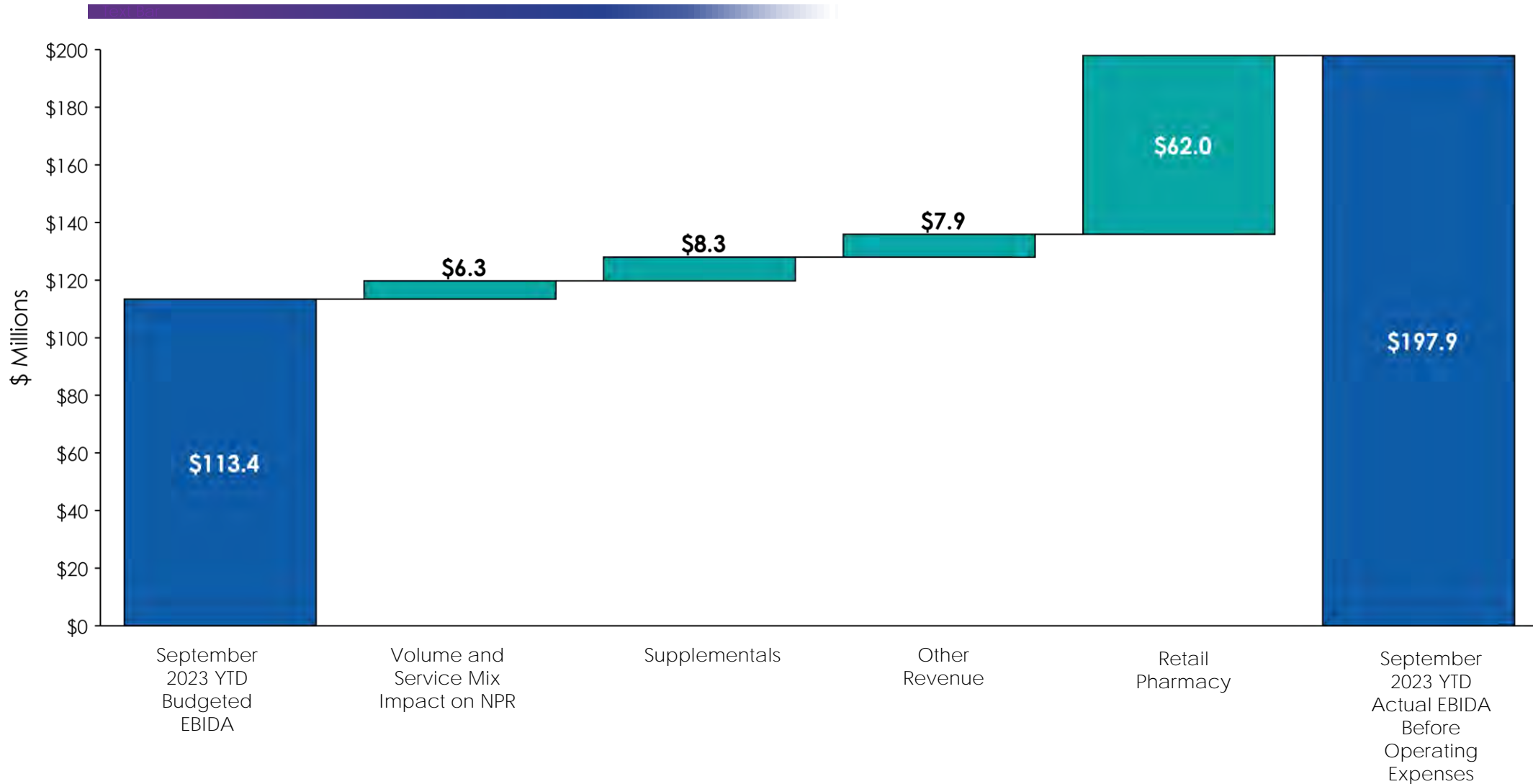
September 2023 YTD compared to September 2022 YTD Financial Results (Represents change/variance from Actual)



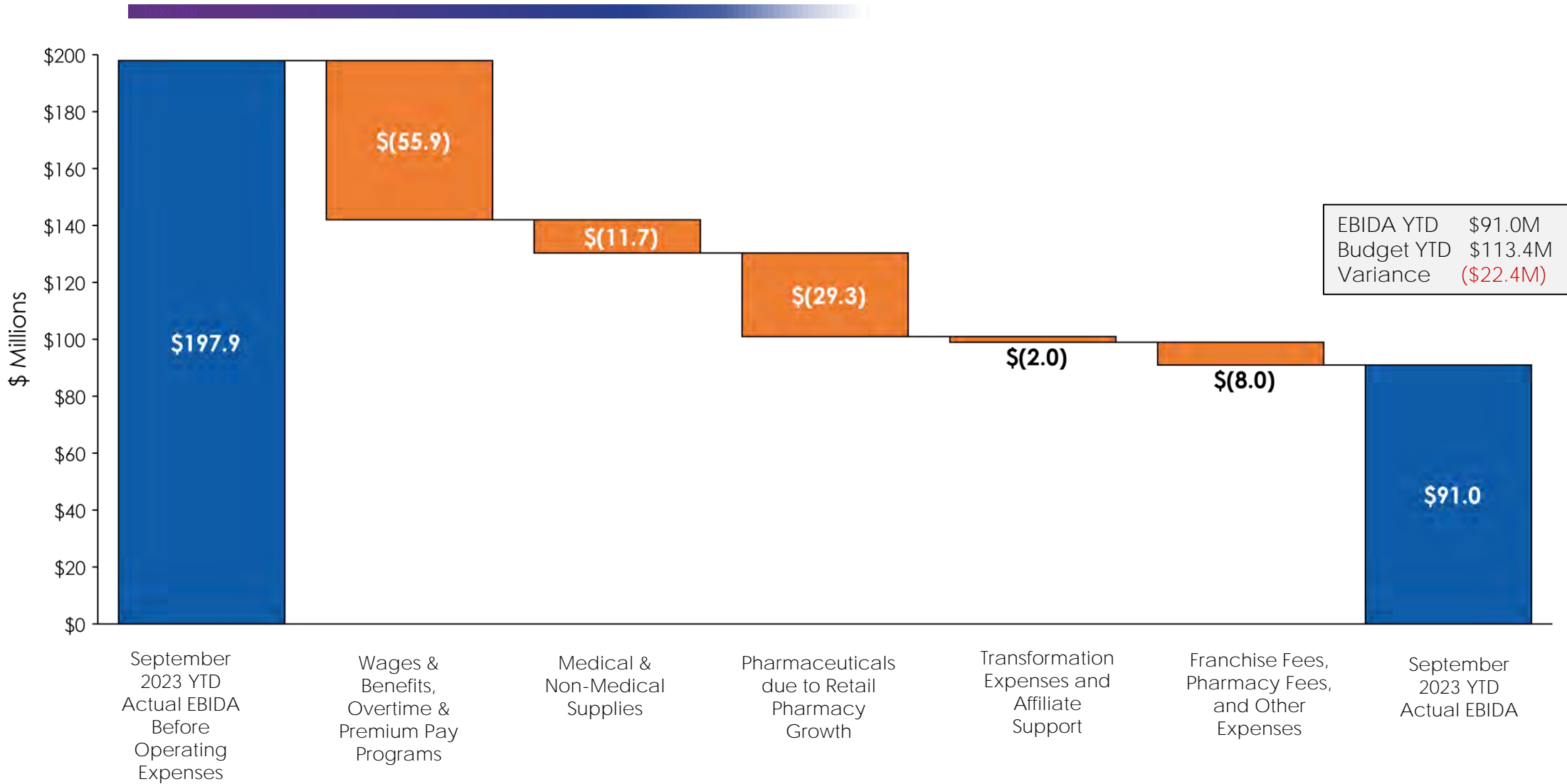
September 2023 YTD compared to September 2022 YTD Financial Results (Represents change/variance from Actual)



September 2023 YTD Financial Results Compared to Budget (Represents change/variance from Budget)



September 2023 YTD Financial Results Compared to Budget (Represents change/variance from Budget)

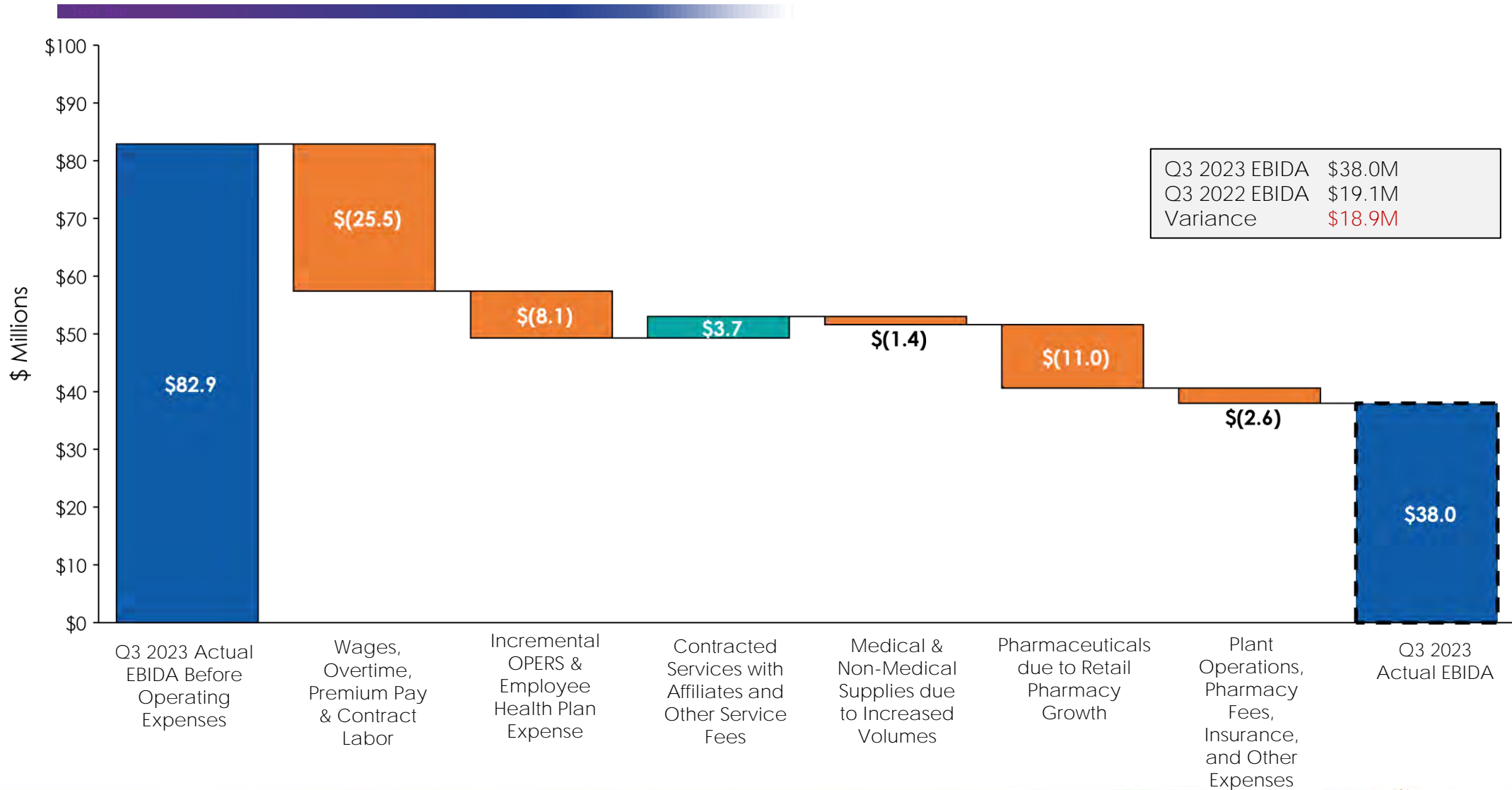


Q3 2023 compared to Q3 2022 Financial Results (Represents change/variance from Actual)

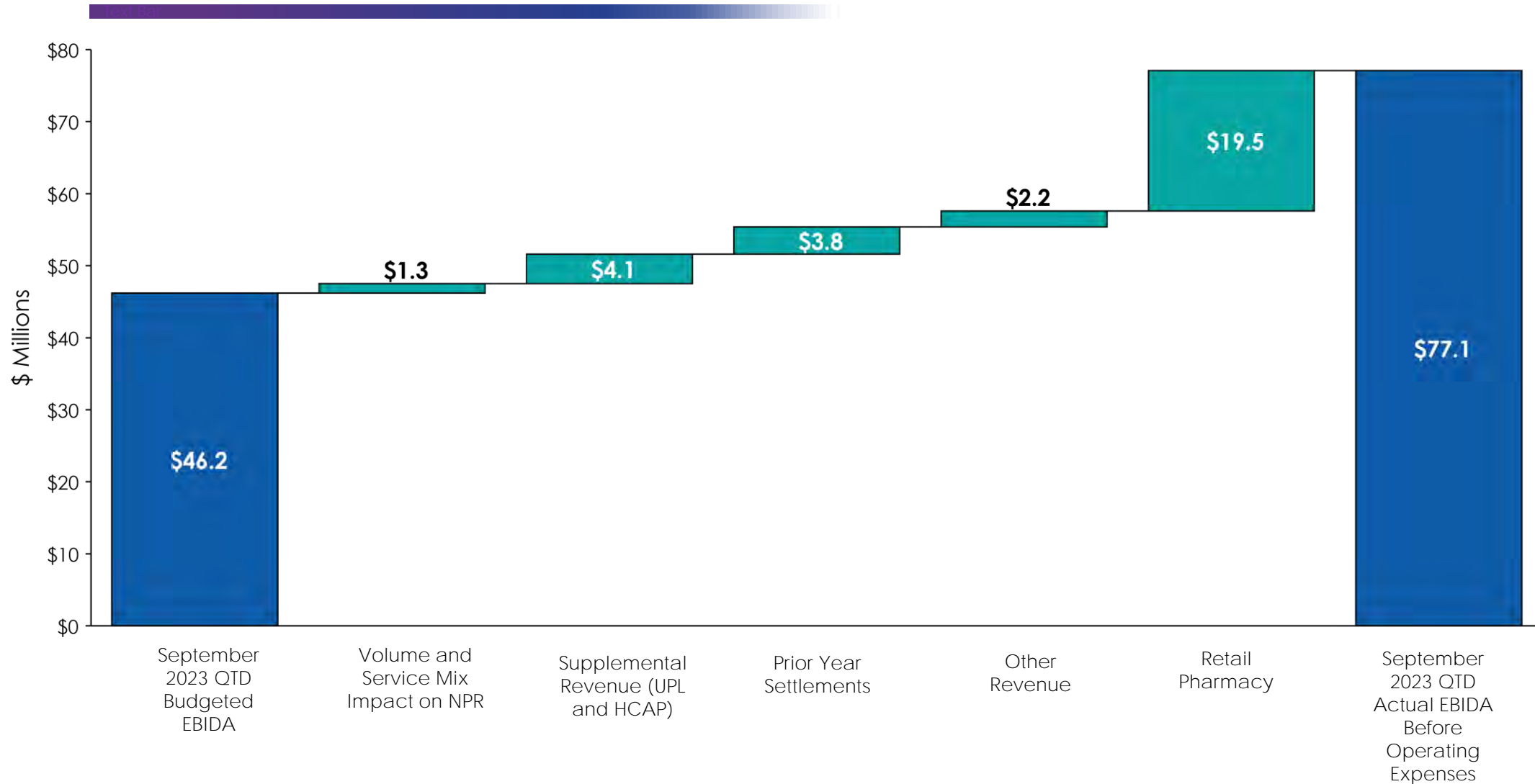


Q3 2023 compared to Q3 2022 Financial Results

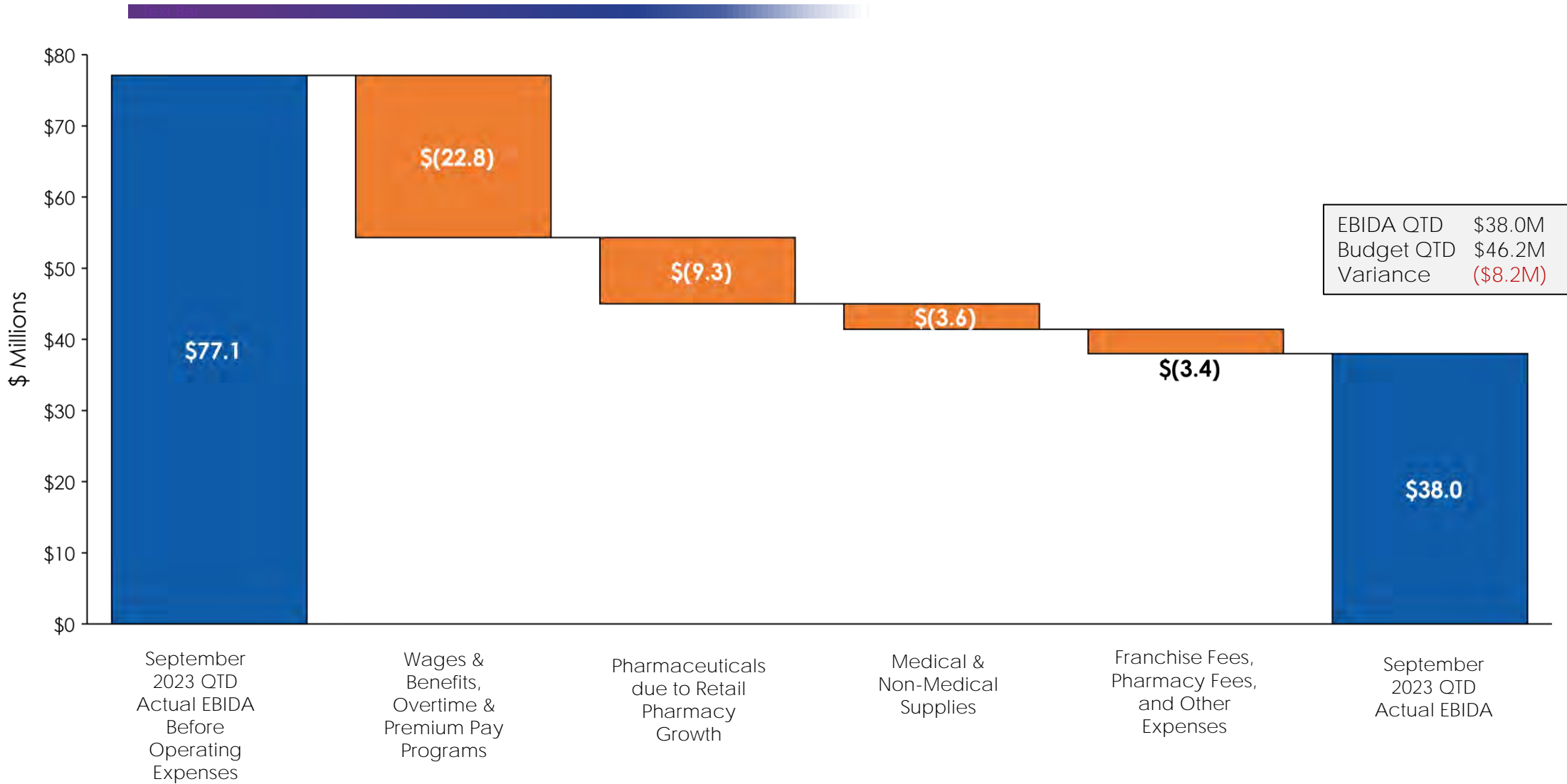
(Represents change/variance from Actual)



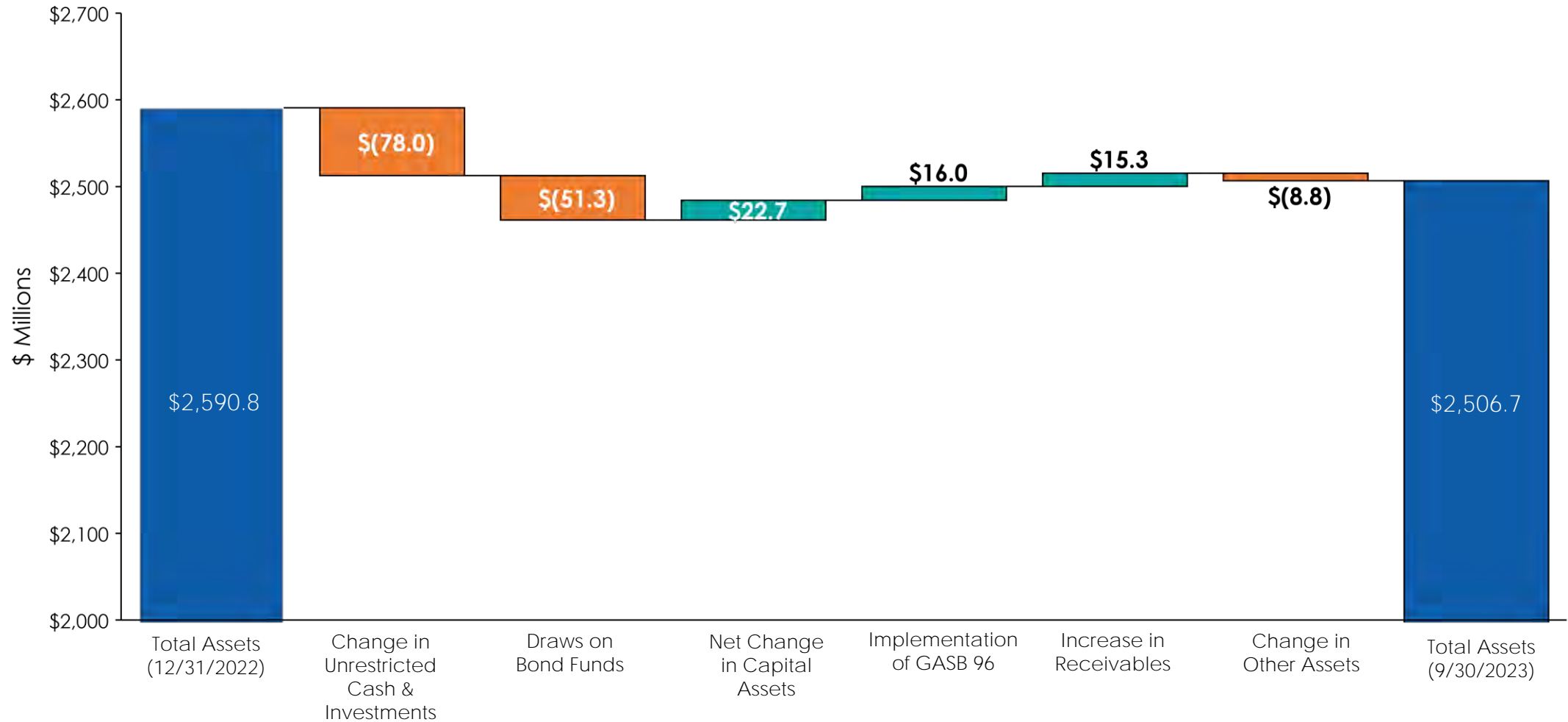
Q3 2023 Financial Results Compared to Budget (Represents change/variance from Budget)



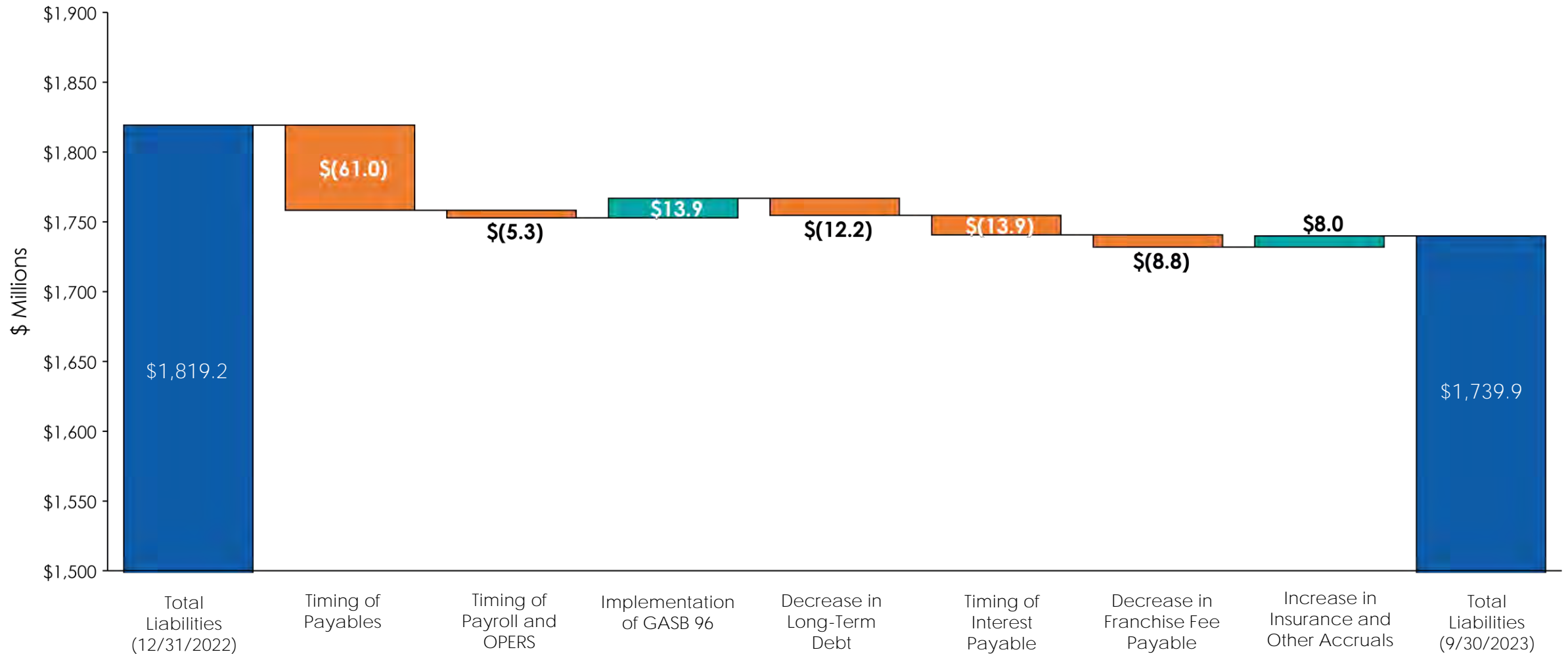
Q3 2023 Financial Results Compared to Budget (Represents change/variance from Budget)



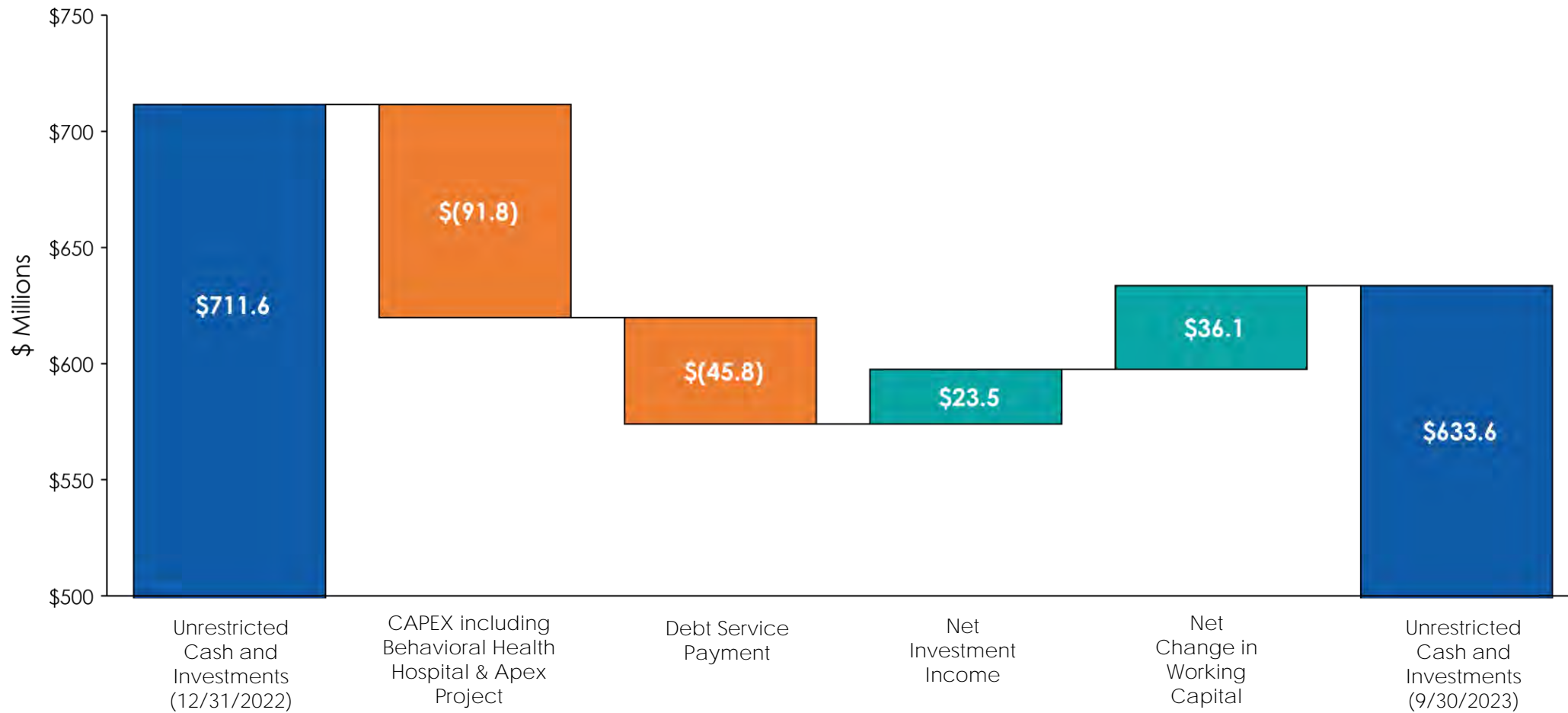
September 30, 2023 Assets compared to December 31, 2022



September 30, 2023 Liabilities compared to December 31, 2022



September 30, 2023 Unrestricted Cash and Investments compared to December 31, 2022





MetroHealth



2024 Annual Budget Summary

Finance Committee

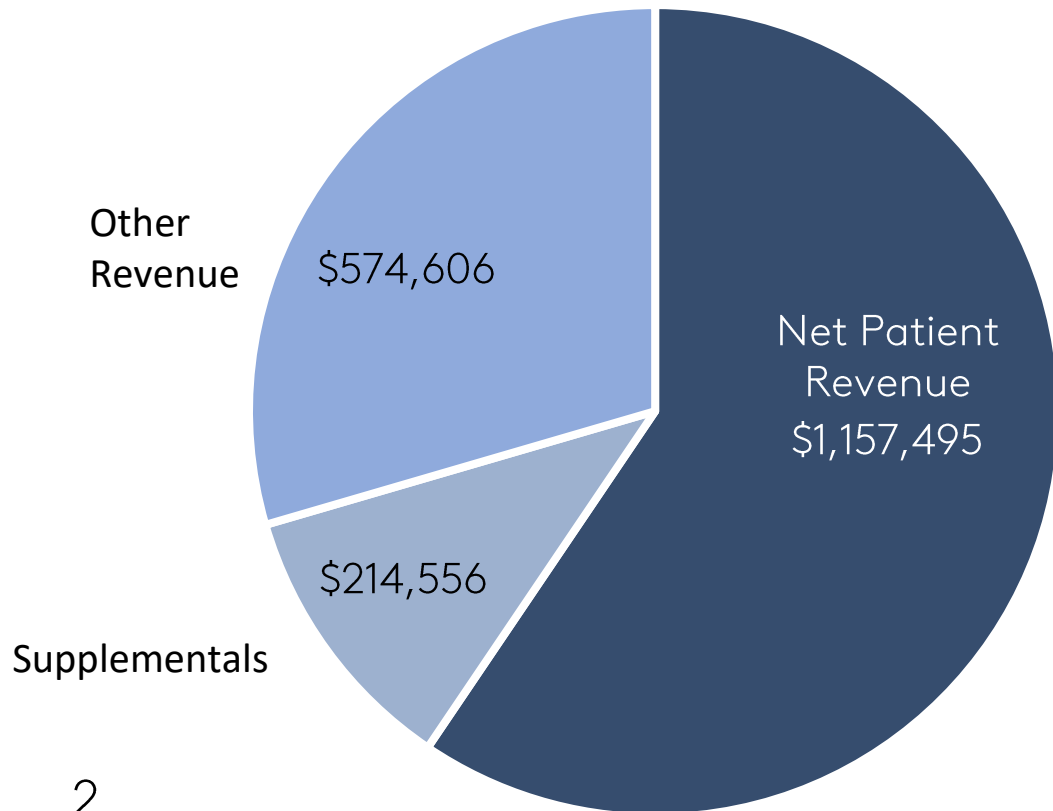
October 25, 2023

2024 Operating Budget

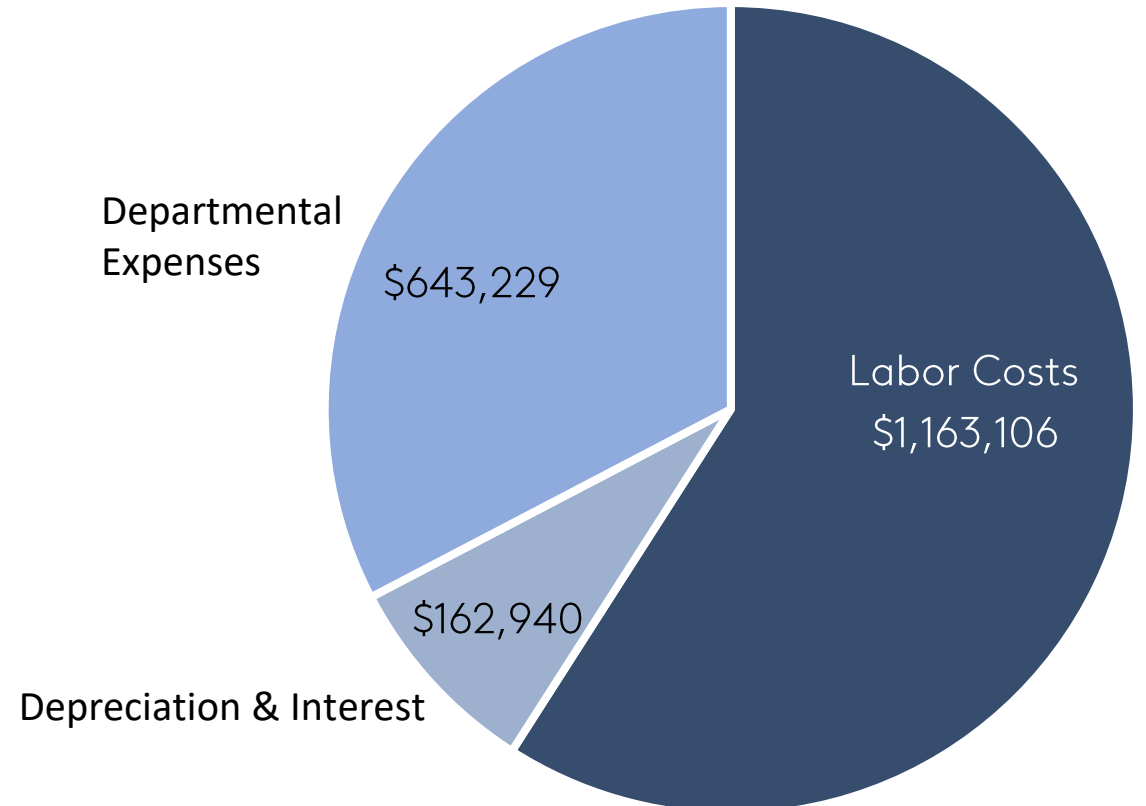


	<i>\$ in Thousands</i>
Total Operating Revenue	\$ 1,946,657
Total Operating Expense (excluding depreciation & interest)	\$ 1,806,335
EBIDA	\$ 140,322

Operating Revenue

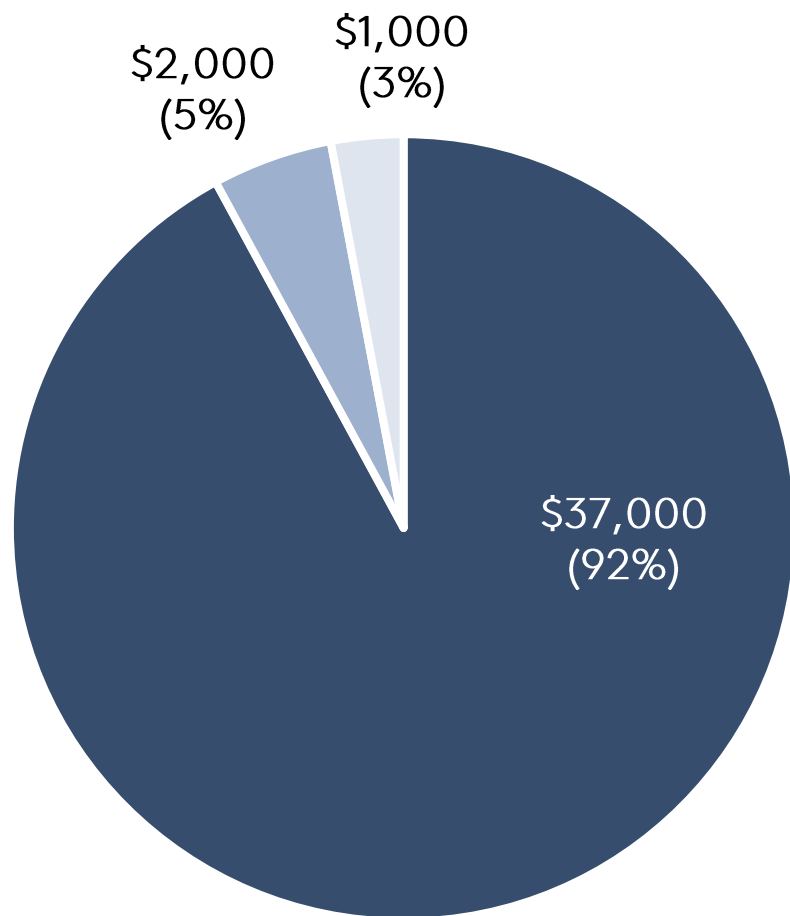


Operating Expense



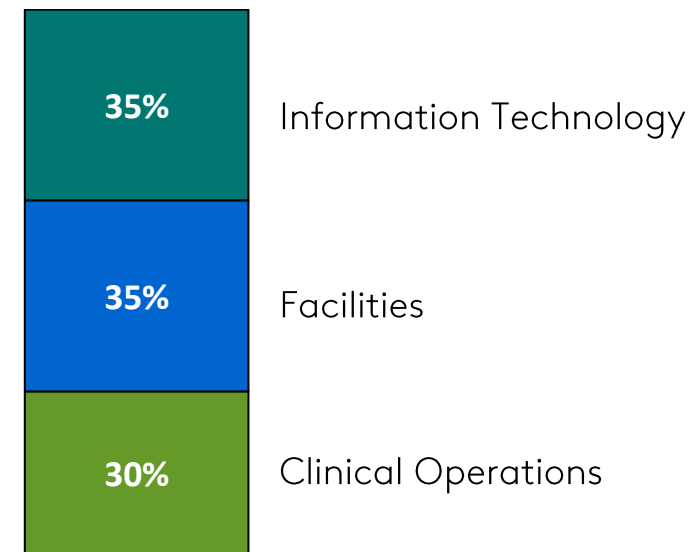
2024 Capital Budget

\$ in Thousands



Routine/Required/Strategic	\$ 37,000
Contingency	2,000
Minor	<u>1,000</u>
Total	\$ 40,000

Estimated
Funding
Allocation



Routine/Required/Strategic

Note: 2024 Capital is funded from operating cash flow and/or cash reserves for the ongoing operations of MetroHealth. The allocation amounts among Routine/Required/Strategic, Contingency, and Minor categories presented above are estimates and may vary.

**RECOMMENDATION TO THE METROHEALTH SYSTEM
FOR A PROPOSED BUDGET FOR THE 2024 FISCAL YEAR AND
TO AUTHORIZE THE SUBMISSION OF THE SAME TO THE
GOVERNMENT OF CUYAHOGA COUNTY, OHIO**

Recommendation

The President and Chief Executive Officer, on the advice of the Chief Financial Officer, recommends that The MetroHealth System (the "System") approve a proposed budget for the 2024 fiscal year and authorize the submission of the same to the government of Cuyahoga County, Ohio ("County").

The information to be submitted to the County is shown in Exhibit A.

Background

The System's Board of Trustees is required by law to submit to the County a proposed budget for the ensuing fiscal year no later than 60 days in advance of the end of the current fiscal year.

Approval of a Proposed Budget for the 2024 Fiscal Year and To Authorize the Submission
of the Same to the
Government of Cuyahoga County, Ohio

RESOLUTION

WHEREAS, the Board of Trustees of The MetroHealth System has been presented a recommendation for a proposed budget for the 2024 fiscal year and to authorize the submission of the same to the government of Cuyahoga County, Ohio ("County"); and

WHEREAS, the Board's Finance Committee has reviewed this recommendation and now recommends its approval.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System hereby approve a proposed budget for the 2024 fiscal year and authorize the submission of the same to the government of Cuyahoga County, Ohio.

The information to be submitted to the County is shown in Exhibit A.

BE IT FURTHER RESOLVED, the Chief Executive Officer and President, or her designee, are hereby authorized to take necessary actions consistent with this resolution.

AYES:

NAYS:

ABSENT:

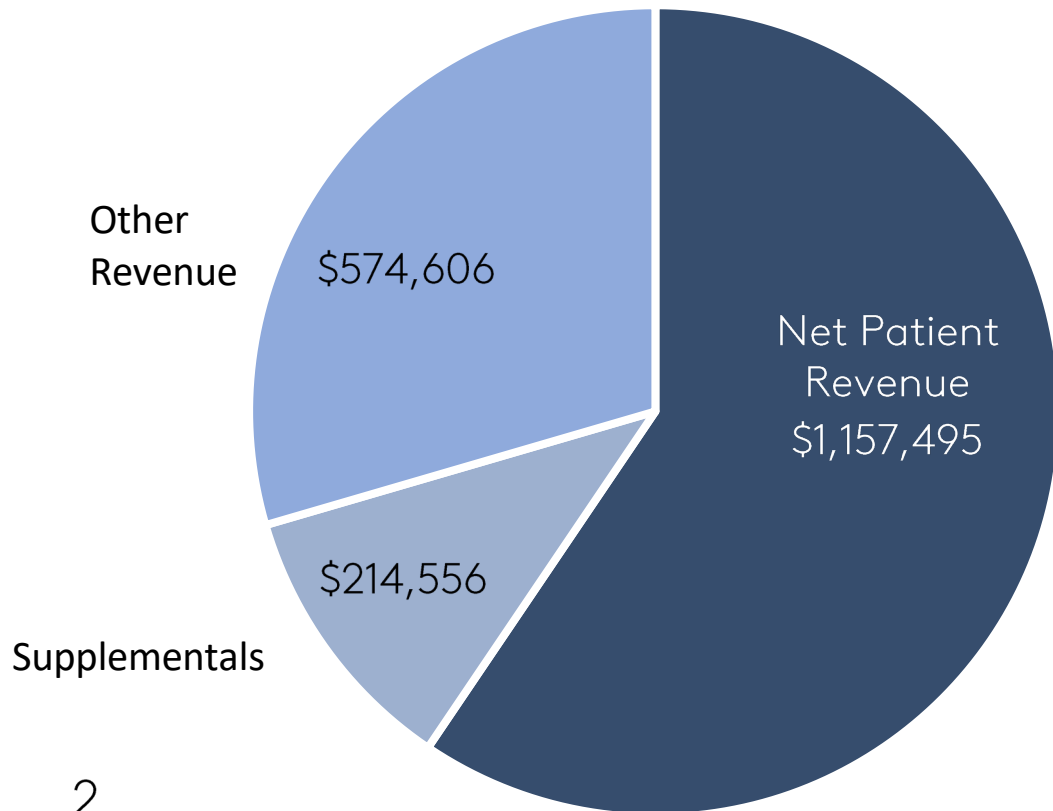
ABSTAINED:

DATE:

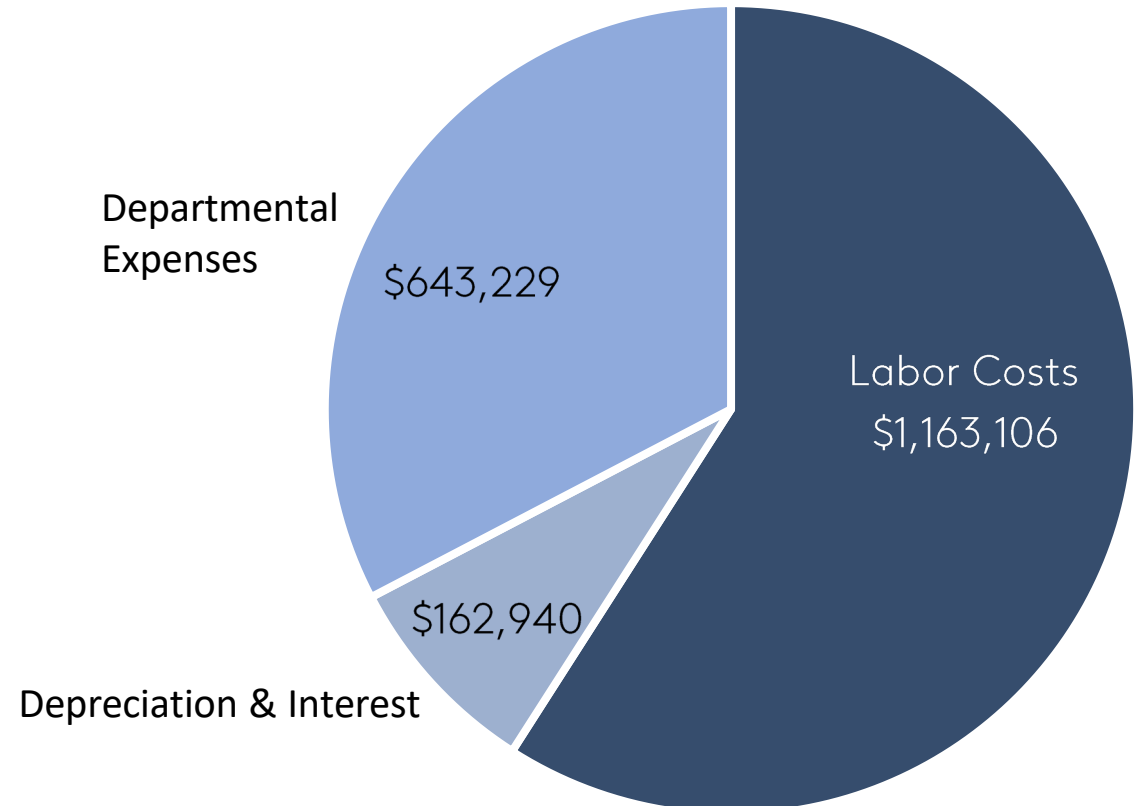
2024 Operating Budget

	<i>\$ in Thousands</i>
Total Operating Revenue	\$ 1,946,657
Total Operating Expense (excluding depreciation & interest)	\$ 1,806,335
EBIDA	\$ 140,322

Operating Revenue

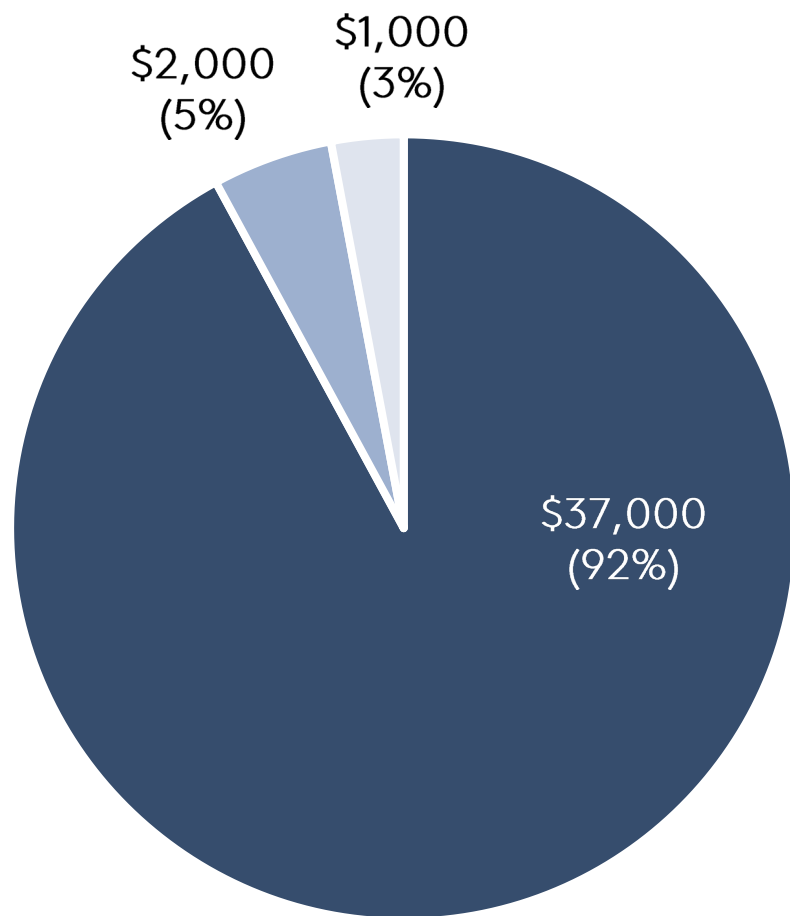


Operating Expense



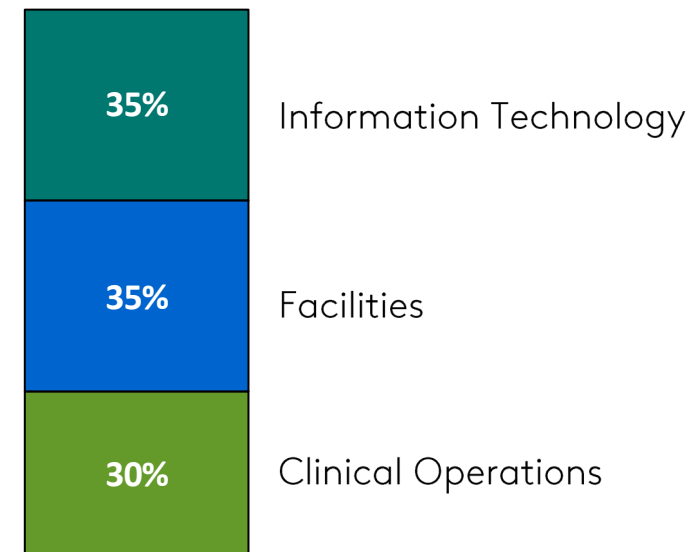
2024 Capital Budget

\$ in Thousands



■ Routine/Required/Strategic	\$ 37,000
■ Contingency	2,000
■ Minor	<u>1,000</u>
Total	\$ 40,000

Estimated
Funding
Allocation



Routine/Required/Strategic

Note: 2024 Capital is funded from operating cash flow and/or cash reserves for the ongoing operations of MetroHealth. The allocation amounts among Routine/Required/Strategic, Contingency, and Minor categories presented above are estimates and may vary.

**RECOMMENDATION TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER
OF THE METROHEALTH SYSTEM
FOR CERTAIN ANNUAL PURCHASING POLICIES AND PROCEDURES**

Recommendation

The Chief Financial Officer, on the advice of the General Counsel, recommends that The MetroHealth System approve certain annual purchasing policies and procedures, for participation in group/joint procurement arrangements.

For the calendar year 2024 and for the purpose of acquiring supplies, equipment, and services routinely used in the operations of the System, the System may obtain membership and participate in either:

- a) One or more group purchasing organizations (each a "GPO") sponsored by nonprofit organizations, for all products available through such GPOs, provided that the terms and conditions of such participation, and the GPO's policies and procedures, are evaluated and determined to be in the best interest of the System; and,
- b) One or more state or federally operated joint purchasing programs (each a "JPP"), for purchase of all products available through such JPPs.

The System may pay GPO and JPP participation or membership fees and costs, if any, out of general operating funds.

Background

The System may lawfully participate in group purchasing arrangements sponsored by nonprofit organizations. The System may also lawfully participate in state or federal joint purchasing programs that permit other states and their political subdivisions to participate.

The System's governing law permits the System to annually adopt certain policies and procedures, for procurement of supplies, equipment, and services, which may be used in lieu of competitive bidding.

Approval of Certain Annual Purchasing Policies and Procedures

RESOLUTION XXXXX

WHEREAS, the Board of Trustees of The MetroHealth System has been presented a recommendation for certain annual purchasing policies and procedures; and

WHEREAS, the Board's Finance Committee has reviewed this recommendation and now recommends its approval.

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of The MetroHealth System hereby approves certain annual purchasing policies and procedures, for participation in group/joint procurement arrangements.

For the calendar year 2024 and for the purpose of acquiring supplies, equipment, and services routinely used in the operations of the System, the System may obtain membership and participate in either:

- a) One or more group purchasing organizations (each a "GPO") sponsored by nonprofit organizations, for all products available through such GPOs, provided that the terms and conditions of such participation, and the GPO's policies and procedures, are evaluated and determined to be in the best interest of the System; and,
- b) One or more state or federally operated joint purchasing programs (each a "JPP"), for purchase of all products available through such JPPs.

The System may pay GPO and JPP participation or membership fees and costs, if any, out of general operating funds.

BE IT FURTHER RESOLVED, the President and Chief Executive Officer or her designees are hereby authorized to negotiate and execute agreements and other documents and develop and execute procedures consistent with this resolution.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE: