



The MetroHealth System

Board of Trustees

Wednesday, October 23, 2024

1:30pm - 3:30pm

The MetroHealth System Board Room K-107 or via Zoom

Finance Committee

Regular Meeting

The MetroHealth System Board of Trustees

FINANCE COMMITTEE

DATE: Wednesday, October 23, 2024
TIME: 1:30 pm - 3:30 pm
PLACE: MetroHealth Board Room K107 or via Zoom
<https://us02web.zoom.us/j/89565413235>

AGENDA

I. Approval of Minutes

Finance Committee Meeting Minutes of August 28, 2024

II. Information Items

- A. Third Quarter 2024 Investment Performance – A. Blake, Clearstead
- B. Third Quarter 2024 Financial Report – D. Hollings

III. Executive Session

Return to Open Meeting

IV. Recommendation/Resolution Approvals

- A. Approval of Renewal of Line of Credit
- B. Approval of Additional Capital Expenditures for Capital Improvements to the System's Apex Project and Main Campus Outpatient Pavilion

The MetroHealth System Board of Trustees

FINANCE COMMITTEE
3:00 pm - 5:00 pm
In-Person K107 or via Zoom

Meeting Minutes

Committee Members Present: John Moss-I, E. Harry Walker, M.D.-I, Sharon Dumas-I, Ronald Dziedzicki-I

Other Trustees Present: Inajo Davis Chappell-R, John Corlett-I, Maureen Dee-I, Nancy Mendez-I, Michael Summers-R

Staff Present: Christine Alexander, M.D.-I, Nicholas Bernard-I, James Bicak-I, Victoria Bowser-I, Kate Brown-I, Dr. Nabil Chehade-I, Derrick Hollings-I, Dr. Olusegun Ishmael-I, Barbara Kakiris-I, Dr. William Lewis-I, Christina Morales-I, Dr. Holly Perzy-I, Allison Poulious-I, Tamiyka Rose-I, Brad Schwartz-I, Nicholas Sukalac-R, Adam Winston-I, Richard Palmisano-I, James Wellons-I, Peter Benkowski-I, Kathleen Rizer-R, Joesph Golob-I, Mary Jo Murray-I, Ryan Mezinger-I, Ronald Walker-R, Joe Frolik-I

Guests Present: Adam Blake-I (Clearstead), Claire Shue-I (Clearstead)

Mr. Moss called the meeting to order at 2:59 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 May 22, 2024, Finance Committee and Investment subcommittee meeting were approved as submitted.

II. Information Items

A. Economic and Investment Portfolio Review

Adam Blake from Clearstead presented the investment oversight dashboard, highlighting key metrics including total investment assets of \$681 million, minimal net cash flows, and positive investment returns of approximately \$14 million. The



The MetroHealth System Board of Trustees

total system portfolio saw a 2.8% increase for the quarter and a 4.2% year-to-date growth in the non-reserve long-term pool. The reserve pool grew by \$2.5 million, while the non-reserve pool increased by \$4.1 million, totaling \$6.6 million in investment gains. Since the end of Q2, the non-reserve pool experienced an additional \$7 million increase. Claire Shue provided updates on the performance of the non-reserve long-term pool and the Select Insurance Captive, reporting \$960,000 in unrealized gains in Q2 for the Select Insurance Captive, with an additional \$4 million gain since then.

Mr. Blake recommended replacing the Invesco Oppenheimer International Growth Fund with the Vanguard International Growth Fund due to the retirement of the Oppenheimer portfolio manager. Mr. Moss inquired if the recommendation was solely due to the manager change, and Mr. Blake confirmed this was the primary factor. Mr. Moss conducted a voice vote to approve the Clearstead recommendation. The Board unanimously voted in favor, approving the recommendation to replace Oppenheimer with Vanguard.

In the strategic asset allocation review, Mr. Blake presented the annual analysis, including expected 10-year returns for different system portfolios. Mr. Moss asked about restrictions on the non-reserve pool, and the guidelines set by the county were clarified. Mr. Blake also conducted a fiduciary education session, covering fiduciary roles and responsibilities, the importance of sound decision-making, and key areas for annual review.

B. Second Quarter 2024 Financial Results

Derrick Hollings presented the unaudited financial results for the first six months of the year, highlighting an EBITDA of \$11 million for the quarter ending March 31, 2024. This figure fell short of the \$21 million budget but was comparable to the \$14 million recorded for the same period last year. Net Patient Revenue was \$20 million unfavorable to budget, primarily due to lower-than-expected inpatient surgical cases and behavioral health discharges. Emergency Room visits exceeded both budget and last year's figures by 12% and 9%, respectively. Retail Rx volumes increased by 14.6% year-over-year, although margins declined due to the Inflation Reduction Act, which has pressured drug costs and reduced revenues. Mr. Moss inquired about productivity metrics and budget forecasting. Mr. Hollings acknowledged the challenges and noted that productivity benchmarks and flex budgeting would be addressed further in the executive session.



The MetroHealth System Board of Trustees

IV. Executive Session

Mr. Moss asked for a motion to move into executive session to discuss hospital trade secrets as defined by ORC 1333.61. Mr. Dziedzicki moved, and Dr. Walker seconded the motion. The Board held a roll call vote with all Trustees present 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 3:52 pm.

Following the executive session, the meeting reconvened in open session at approximately 5:05 pm and welcomed back the public via Zoom and those members of the public who remained in-person. Mr. Moss stated there was no further business to bring before the Committee, the meeting was adjourned at approximately 5:05 pm.

THE METROHEALTH SYSTEM

Derrick Hollings,
EVP, Chief Financial Officer





October 23, 2024

METROHEALTH SYSTEM INVESTMENT COMMITTEE MEETING



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

CONTENTS

1. 2024 and Draft 2025 Oversight Dashboards
2. Economic and Market Update
3. Performance Review: 9/30/2024
4. Investment Policy Review
5. ESG Portfolio Scoring

Appendix

Additional Performance Slides

Watch List



2024 AND DRAFT 2025 OVERSIGHT DASHBOARDS

2024 OVERSIGHT DASHBOARD

		4Q 23	1Q 24	2Q 24	3Q 24	Comments:
Strategic/ Administrative	Investment Policy Review				✓	
	ESG Education				✓	
	Strategic Asset Allocation Review			✓		
	Fiduciary Education			✓		
	2025 Oversight Dashboard				✓	
Portfolio	Fixed Income Analysis		✓			
	Domestic Equity Review	✓				
	International Equity Review	✓				
	Clearstead Due Diligence Process	✓				
	Portfolio Rebalancing	✓	✓	✓	✓	
Performance	Capital Markets Review	✓	✓	✓	✓	
	Quarterly Performance Review	✓	✓	✓	✓	
Other	Clearstead Firm Update	✓				
	Fee Review		✓			

Last Reviewed

Investment Policy: 10/23/24
 Strategic Asset Allocation: 08/28/24
 Fee Review: 05/22/24

System IC Schedule

Q4 2023 (Q1): 02/28/2024
 Q1 2024 (Q2): 05/22/2024
 Q2 2024 (Q3): 08/28/2024
 Q3 2024 (Q4): 10/23/2024

Follow-up Items

DRAFT 2025 OVERSIGHT DASHBOARD

		4Q 24	1Q 25	2Q 25	3Q 25	Comments:
Strategic	Investment Policy Review		<input type="checkbox"/>			
	Fiduciary Education		<input type="checkbox"/>			
	Strategic Asset Allocation Analysis		<input type="checkbox"/>			
	ESG Education				<input type="checkbox"/>	
	2026 Oversight Dashboard				<input type="checkbox"/>	
Portfolio	Clearstead Due Diligence Process	<input type="checkbox"/>				
	Growth Assets Analysis	<input type="checkbox"/>				
	Income and Liquidity Analysis			<input type="checkbox"/>		
	Portfolio Rebalancing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Markets & 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"/>				
	Clearstead Portal Overview	<input type="checkbox"/>				
	Fee Review			<input type="checkbox"/>		

Last Reviewed

Investment Policy: 10/23/24
Strategic Asset Allocation: 08/28/24
Fee Review: 05/22/24

System IC Schedule

Q4 2024 (Q1): XX/XX/2025
Q1 2025 (Q2): XX/XX/2025
Q2 2025 (Q3): XX/XX/2025
Q3 2025 (Q4): XX/XX/2025

Follow-up Items

Additional Topics for Consideration



ECONOMIC AND MARKET UPDATE

QUARTERLY THEMES

WHAT HAPPENED LAST QUARTER?

- Inflation moved lower, and some weakness in employment prompted the Federal Reserve to start cutting interest rates in September
- S&P 500 Q2 2024 earnings came in at +11.2 %(YoY), ahead of expectations
- Market returns broadened; Fab 5 stocks were collectively down for the quarter while the rest of the S&P 500 index was up 6.1%
 - 78% of the S&P 500 index and 10 of 11 sectors had positive returns in the quarter
 - US value stocks outperformed growth stocks by 7% during the quarter
- Fixed income markets rallied on the prospect of the Federal Reserve more aggressively lowering rates

3Q 2024 Returns: S&P 500 +5.9%; Russell 2000 +9.3%; MSCI EAFE +7.3%; Bloomberg US Agg +5.2%

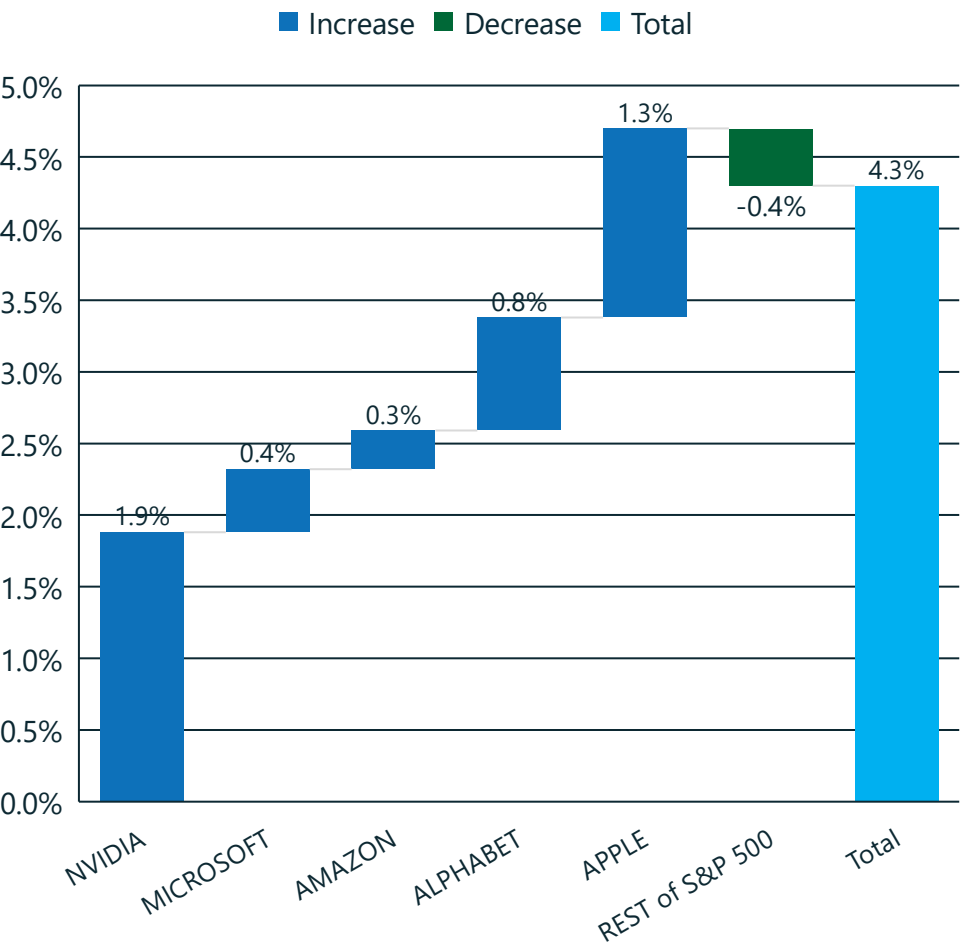
YTD 2024 Returns: S&P 500 +22.1%; Russell 2000 +11.2%; MSCI EAFE +13.0%; Bloomberg US Agg +4.5%

INVESTMENT & ECONOMIC OUTLOOK:

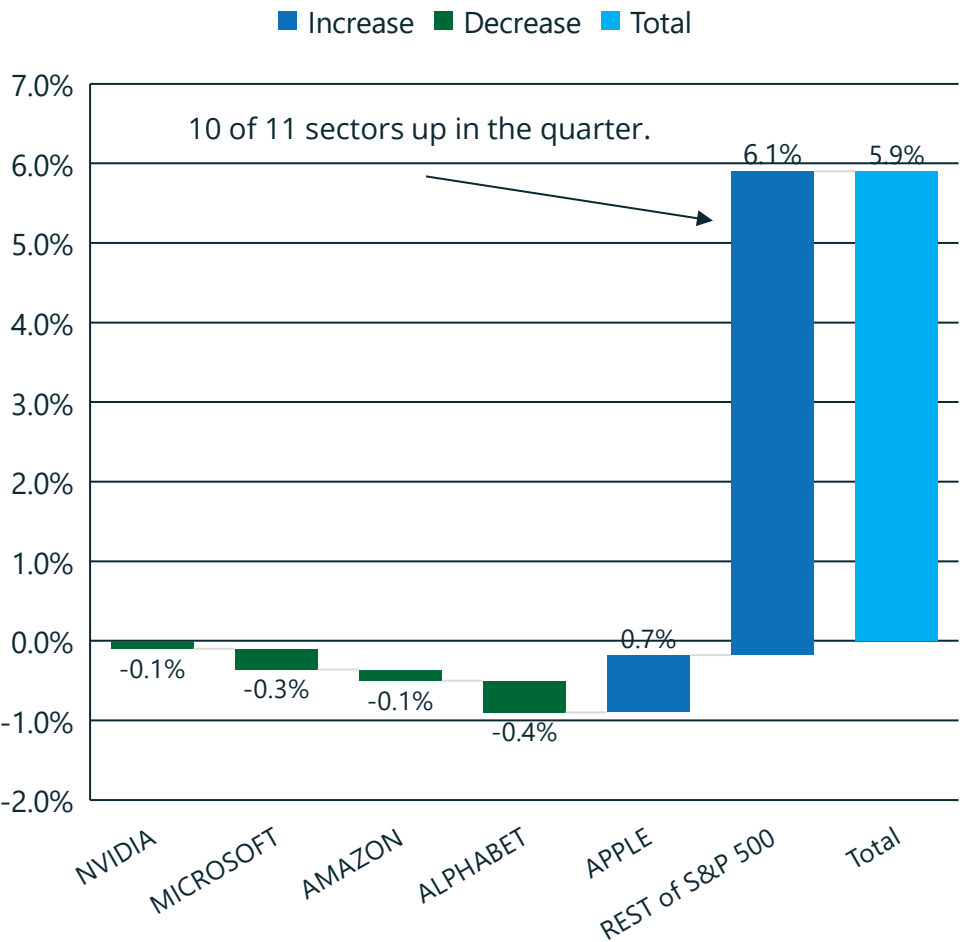
- Slower growth, but growth, as the Federal Reserve balances inflation, employment, and economic conditions
 - Likely to get two additional interest rate cuts by year-end
 - Globally, central banks will continue to ease, which should promote growth
- The consumer remains strong overall; monitoring pockets of weakness
- S&P 500 earnings are expected to grow ~10% for calendar year 2024 and ~15% for 2025
 - Given elevated valuations, if earnings disappoint, downside risks loom
- Worsening geopolitical tensions in the Middle East and uncertainty with the U.S. election could prompt elevated volatility, but historically, market returns are generally positive in 4Q

MARKET REVERSAL: FAB 5 DETRACTS FROM S&P 500 RETURN

Q2 2024 S&P 500 RETURNS



Q3 2024 S&P 500 RETURNS



- Q2 performance driven by a handful of macro-independent stocks (e.g., insensitive to inflation and fed rate cuts), while the remaining stocks were generally directionless amidst evolving Fed policy

Source: Clearstead, Bloomberg LP, contribution to total return, as of 6/30/2024
Past performance is not an indicator of future results

U.S. ECONOMIC PROJECTIONS

		2024	2025	2026	2027	LONG RUN*
GDP	September 2024	2.0%	2.0%	2.0%	2.0%	1.8%
	June 2024	2.1%	2.0%	2.0%		1.8%
	March 2024	2.1%	2.0%	2.0%		1.8%
	December 2023	1.4%	1.8%	1.9%		1.8%
Unemployment Rate	September 2024	4.4%	4.4%	4.3%	4.2%	4.2%
	June 2024	4.0%	4.2%	4.1%		4.2%
	March 2024	4.0%	4.1%	4.0%		4.1%
	December 2023	4.1%	4.1%	4.1%		4.1%
Core PCE Inflation	September 2024	2.6%	2.2%	2.0%	2.0%	
	June 2024	2.8%	2.3%	2.0%		
	March 2024	2.6%	2.2%	2.0%		
	December 2023	2.4%	2.2%	2.0%		
Federal Funds Rate	September 2024	4.4%	3.4%	2.9%	2.9%	2.9%
	June 2024	5.1%	4.1%	3.1%		2.8%
	March 2024	4.6%	3.9%	3.1%		2.6%
	December 2023	4.6%	3.6%	2.9%		2.5%
# of implied 25 bps rate changes year	September 2024	-2	-4	-2		
	June 2024	-1	-4	-4		
	March 2024	-3	-3	-3		
	December 2023	-3	-4	-3		

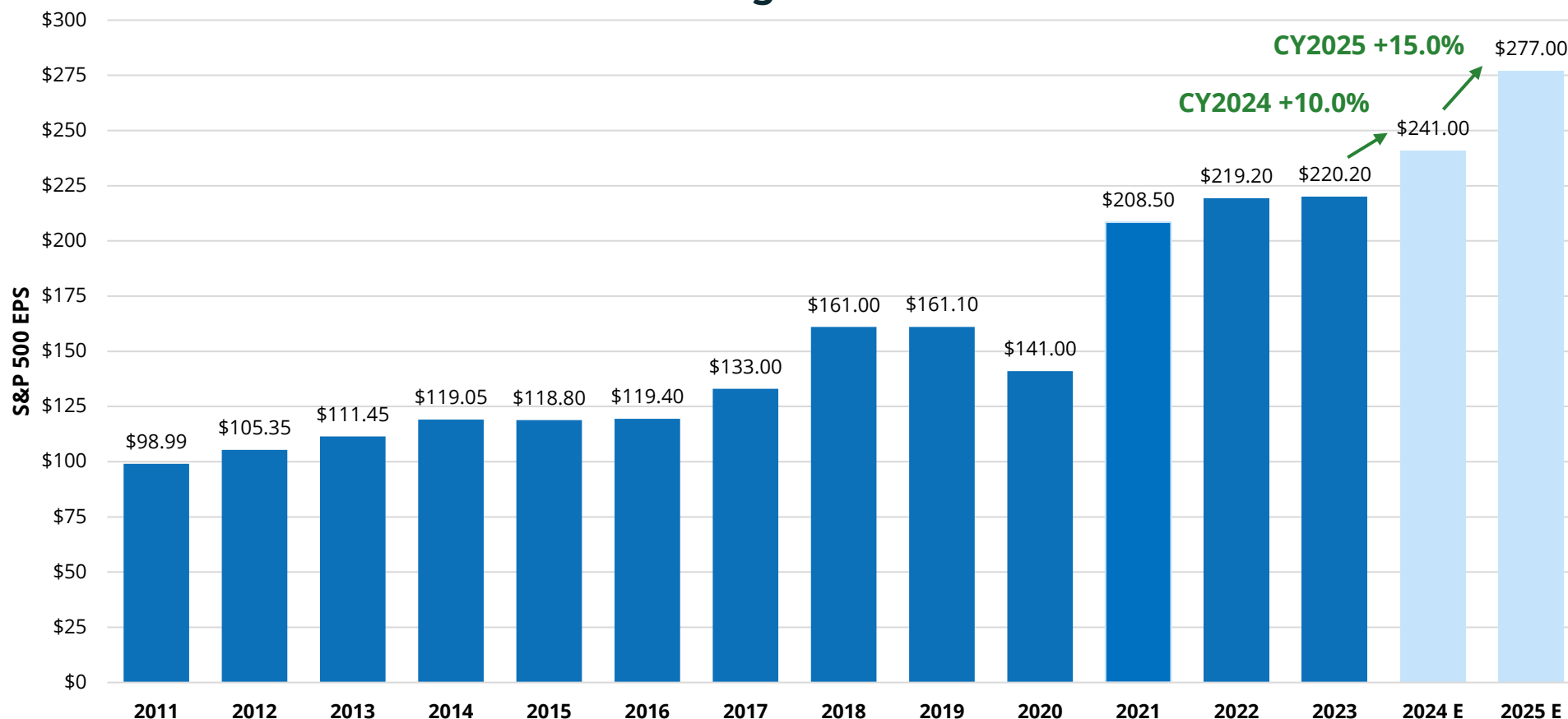
"This recalibration of our policy stance will help maintain the strength of the economy and the labor market and will continue to enable further progress on inflation as we begin the process of moving forward (to) a more neutral stance,"
-Chair Powell

*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. Expectations of Fed board members/bank presidents.
Data as of 9/30/2024. Past performance is not an indicator of future results.

S&P 500 EARNINGS OUTLOOK

S&P 500 Earnings Outlook

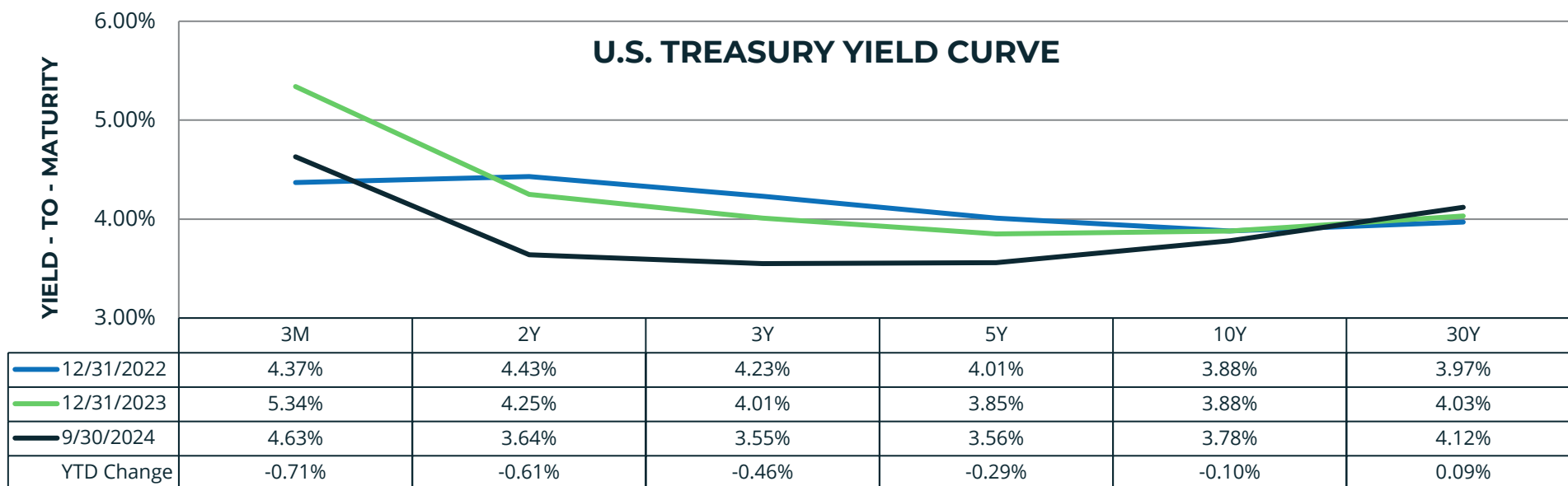


- Bottom-up earnings estimates for CY2024 have slipped modestly in Q3 but reflect a stable and positive US macro environment
 - Expectations (and partial realization) for margin expansion and positive sentiment have kept CY2024 EPS above \$240/share
 - Expectations for CY2025 also remain robust even as the US economy may slow marginally in 2025; evolving US trade policy (tariffs) and/or tax policy could spur analysts to reset earnings/margins expectations

Source: Clearstead, Factset
Data as of 9/30/2024. Past performance is not an indicator of future results.

FIXED INCOME

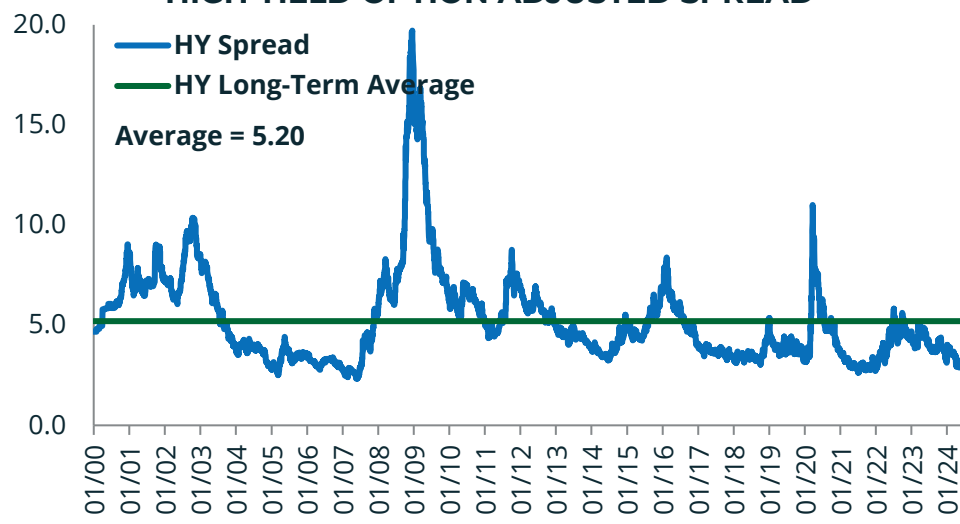
U.S. TREASURY YIELD CURVE



INVESTMENT GRADE OPTION ADJUSTED SPREAD



HIGH YIELD OPTION ADJUSTED SPREAD



Source: Bloomberg. Data as of 9/30/2024. Past performance is not an indicator of future results.



PERFORMANCE REVIEW: 9/30/2024

ORC AND INVESTMENT POLICY COMPLIANCE

		In Compliance
Ohio Revised Code Sections 339.06 and 339.061	All fiduciaries shall discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims	Yes
	At least twenty-five per cent of the average amount of the investment portfolio over the course of the preceding fiscal year shall be invested, as a reserve, in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's Ohio subdivisions fund, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, 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, or bankers acceptances maturing in two hundred seventy days or less that are eligible for purchase by the federal reserve system	Yes
	Money not required to be invested as a reserve under division (C)(2) of this section may be pooled with other institutional funds and invested in accordance with section 1715.52 of the Revised Code	Yes
	The establishment of an investment committee within the board of county hospital trustees, which shall meet at least quarterly, to review and recommend revisions to the board's investment policy and to advise the board on investments made under division (C) of this section for the purpose of assisting the board in meeting its obligations as a fiduciary under that division	Yes
	The investment advisor must be licensed by the division of securities under section 1707.141 of the Revised Code or is registered with the United States securities and exchange commission and must have experience in the management of investments of public funds, especially in the investment of state government investment portfolios, or is an institution eligible to be a public depository as described in section 135.03 of the Revised Code	Yes
	Title to investments made by a board of county hospital trustees with money described in division (B) of this section shall not be vested in the county but shall be held in trust by the board	Yes
Reserve Pool Investment Policy Guidelines	Minimum of 25% or \$300 million of investment portfolio over the course of the preceding fiscal year shall be invested as a reserve	Yes
	Only qualifying securities are included	Yes
Non-Reserve Pool Investment Policy Guidelines	Only permissible securities are included	Yes
	Fixed income investments should emphasize high-quality (on average, the portfolio should have BBB-rating or better) and reasonable diversification	Yes
	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	Yes

WATCH LIST GUIDELINES

Fund Manager Watch List/Termination Guidelines

While it is not the intention of the Investment Committee to regularly change investments, from time to time it may be necessary to do so based on performance or organizational issues. Each fund is expected to achieve certain Performance Objectives, as described in the Investment Policy Statement. Actual performance will be compared to these Performance Objectives by the investment consultant. From time to time, the funds may not achieve one or more of these standards, but will be expected to achieve them over a reasonable market cycle. Any shortfalls should be explainable in terms of general economic and capital market conditions.

The Management Investment Committee keeps a “Watch list” as a prudent step that precedes fund removals. The MetroHealth Investment Committee remains as the sole decision maker for fund addition and removal based on the Investment Policy Statement evaluation criteria specified, with or without a “Watch list.”

An investment option may be placed on a “Watch list” for closer monitoring when one or more of the following occur but is not limited to these items:

- An active (excl. Index) investment strategy performs in the bottom quartile for its peer group for more than 2 consecutive years
- An active (excl. Index) investment strategy underperforms its respective benchmark for more than 2 consecutive years
- There is an ownership change at the firm
- There is a Portfolio Manager departure
- There are significant/abnormal asset flows
- There is a violation of the investment philosophy’s guidelines

The investment may be placed on the “Watch list” for a period of 12 months; however, the Management Investment Committee retains the discretion to extend or reduce the time period that an investment option is on watch and the Management Investment Committee will review and evaluate the appropriateness of the investment for MetroHealth.

WATCH LIST: AS OF 9/30/2024

Qualitative	Ownership Change	PM Departure	Strategy	Abnormal Asset	Violating	Other	Watch List
Vanguard Institutional Index	No	No	No	No	No	No	No
Vanguard FTSE Social Index	No	No	No	No	No	No	No
Harbor Capital Apprec. Instl	No	No	No	No	No	No	No
DFA U.S. Lg Cap Value Instl	No	No	No	No	No	No	No
Vanguard Mid Cap Index Adm	No	No	No	No	No	No	No
Harbor Small Cap Growth Instl	No	No	No	No	No	No	No
Boston Partners Sm Cap Value II	No	No	No	No	No	No	No
Vanguard Int'l Growth	No	No	No	No	No	No	No
TransAmerican International Equity	No	No	No	No	No	No	No
First American Govt Obligations	No	No	No	No	No	No	No
Vanguard Ultra-Short-Term Bond	No	No	No	No	No	No	No
Lord Abbett Short Duration Income	No	No	No	No	No	No	No

Green/Yes = Concern

Quantitative	Performance vs. Benchmark					
	YTD	2023	2022	2021	2020	2019
Vanguard Institutional Index	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%
Vanguard FTSE Social Index	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Harbor Capital Apprec. Instl	-1.8%	11.0%	-8.6%	-12.0%	15.9%	-3.1%
DFA U.S. Lg Cap Value Instl	-1.3%	0.0%	1.7%	2.9%	-3.4%	-1.0%
Vanguard Mid Cap Index Adm	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Harbor Small Cap Growth Instl	-0.7%	3.5%	0.9%	7.0%	3.8%	13.8%
Boston Partners Sm Cap Value II	1.9%	2.1%	3.0%	-2.5%	-3.0%	5.6%
Vanguard Int'l Growth	1.6%	-0.8%	-14.8%	-8.5%	49.0%	10.0%
TransAmerican International Equity	0.1%	0.4%	1.9%	5.4%	-3.9%	-0.4%
Vanguard Ultra-Short-Term Bond	-0.8%	1.2%	3.4%	0.8%	-1.1%	-0.2%
Lord Abbett Short Duration Income	0.0%	1.2%	-0.7%	1.8%	0.0%	2.1%

Green = Negative Excess Return

Peer Performance					
YTD	2023	2022	2021	2020	2019
25.0%	25.0%	50.0%	21.0%	35.0%	22.0%
36.0%	4.0%	98.0%	38.0%	10.0%	6.0%
50.0%	4.0%	83.0%	81.0%	13.0%	45.0%
58.0%	47.0%	54.0%	28.0%	81.0%	52.0%
34.0%	49.0%	79.0%	41.0%	22.0%	20.0%
54.0%	11.0%	32.0%	49.0%	49.0%	2.0%
24.0%	43.0%	49.0%	81.0%	65.0%	12.0%
18.0%	69.0%	84.0%	87.0%	2.0%	23.0%
66.0%	69.0%	87.0%	32.0%	13.0%	22.0%
69.0%	50.0%	1.0%	30.0%	94.0%	91.0%
26.0%	51.0%	36.0%	13.0%	74.0%	22.0%

Blue = Bottom Quartile

TOTAL SYSTEM SNAPSHOT: 9/30/2024

	System	Select Assurance	Total
Clearstead Investment Reports	\$ 467,502,036	\$ 109,384,036	\$ 576,886,072
Cash on Hand (Operating Accounts)	104,909,252	12,925,412	117,834,664
Other Investments (Premier shares, Recovery Resources, MHS Purchasing, MHS Care Innovation)	8,310,506	-	8,310,506
Total Cash & Unrestricted Investments	\$ 580,721,794	\$ 122,309,448	\$ 703,031,242

	Reserve Pool	Non Reserve Pool	Total
Clearstead System Report	\$ 211,697,395	\$ 255,804,641	\$ 467,502,036
Clearstead Select Assurance Report	-	109,384,036	109,384,036
System Cash Balance	104,909,252	-	104,909,252
Select Assurance Cash Balance	12,925,412	-	12,925,412
Other Investments	-	8,310,506	8,310,506
Total Cash & Unrestricted Investments	\$ 329,532,059	\$ 373,499,183	\$ 703,031,242

METROHEALTH SYSTEM: ATTRIBUTION OF MARKET VALUE CHANGE: 9/30/2024

		Starting Balance	Net Cash Flow	Net Investment Change	Ending Balance
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
2023	Reserve	\$327,003,239	(\$73,829,293)	\$12,834,850	\$266,008,796
	Non-Reserve	\$198,832,717	\$0	\$28,736,087	\$227,568,804
	Total	\$525,835,956	(\$73,829,293)	\$41,570,937	\$493,577,600
1Q 2024	Reserve	\$266,008,796	(\$1,291,911)	\$1,535,495	\$266,252,380
	Non-Reserve	\$227,568,804	\$0	\$12,454,371	\$240,023,175
	Total	\$493,577,600	(\$1,291,911)	\$13,989,866	\$506,275,555
2Q 2024	Reserve	\$266,252,380	(\$17,689,204)	\$2,543,020	\$251,106,196
	Non-Reserve	\$240,023,175	\$0	\$4,092,710	\$244,115,885
	Total	\$506,275,555	(\$17,689,204)	\$6,635,730	\$495,222,081
3Q 2024	Reserve	\$251,106,196	(\$44,888,696) ***	\$5,479,896	\$211,697,395 *
	Non-Reserve	\$244,115,885	\$0	\$11,688,757	\$255,804,640
	Total	\$495,222,081	(\$44,888,696)	\$17,168,650	\$467,502,035 **

*The Reserve Pool balance excludes approximately \$76 million in System operating cash.

** The overall balance does not include \$109.4 million of Captive investments and \$12.9 million of Captive operating cash.

***The cash flow shown is due to a change in reporting. The Key Bank Operating account, which was valued at \$44,888,696 at 6/30/24 will be tracked internally as System Operating Cash rather than by Clearstead.

METROHEALTH: PERFORMANCE SUMMARY 9/30/2024

	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Total Plan	3.8	8.1	13.1	9.5	4.1	4.1	8.7	-5.0	3.2	4.1	Aug- 18
Non-Reserve Long-Term Pool	6.5	18.6	32.6	26.1	8.4	13.1	23.1	-19.2	21.9	11.2	Aug- 18
<i>Non-Reserve LT Pool Benchmark¹</i>	6.5	19.4	33.3	26.8	9.1	13.8	23.9	-18.5	21.9	11.9	
Total Equity	6.5	18.6	32.6	26.1	8.4	13.1	23.2	-19.2	21.9	11.2	Aug- 18
Total Domestic Equity	6.1	19.8	33.9	26.6	9.7	14.4	24.4	-19.0	25.7	12.7	Aug- 18
<i>Russell 3000 Index</i>	6.2	20.6	35.2	27.6	10.3	15.3	26.0	-19.2	25.7	13.4	
<i>Russell 2000 Index</i>	9.3	11.2	26.8	17.5	1.8	9.4	16.9	-20.4	14.8	6.2	
<i>S&P 500 Index</i>	5.9	22.1	36.4	28.8	11.9	16.0	26.3	-18.1	28.7	14.2	
Total International Equity	9.2	12.4	25.8	23.3	2.0	7.1	16.9	-20.5	6.1	4.6	Aug- 18
<i>MSCI AC World ex USA (Net)</i>	8.1	14.2	25.4	22.8	4.1	7.6	15.6	-16.0	7.8	5.6	
Total Fixed Income & Cash	1.2	3.7	5.0	4.6	3.2	2.0	4.7	1.1	0.0	2.0	Aug- 18
Non-Reserve Short-Term Pool	2.5	5.0	7.6	5.8	2.5	-	5.5	-2.6	-	2.3	May- 21
<i>Bimbg. U.S. Treasury: 1-3 Year</i>	2.9	4.1	6.8	4.6	1.3	1.5	4.3	-3.8	-0.6	1.1	
Reserve Pool	2.7	4.3	6.7	4.8	2.3	1.9	4.6	-1.6	-0.3	2.3	Aug- 18
<i>Bimbg. U.S. Treasury: 1-3 Year</i>	2.9	4.1	6.8	4.6	1.3	1.5	4.3	-3.8	-0.6	1.9	
Total Fixed Income	2.7	4.3	6.7	4.8	2.3	1.9	4.6	-1.6	-0.3	2.3	Aug- 18

SELECT ASSURANCE CAPTIVE: ATTRIBUTION OF MARKET VALUE CHANGE: 9/30/2024

	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
2023	\$81,880,765	\$5,000,000	(\$20,036)	\$11,376,692	\$98,237,421

1Q 2024	\$98,237,421	\$0	(\$5,573)	\$4,338,821	\$102,570,669
2Q 2024	\$102,570,669	\$0	(\$5,693)	\$963,939	\$103,528,915
3Q 2024	\$103,528,915	\$0	(\$5,898)	\$5,861,018	\$109,384,036 *

- 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, \$12.9 million



INVESTMENT POLICY REVIEW

SYSTEM INVESTMENT POLICY STATEMENT: KEY GUIDELINES

		Key Guidelines
Objectives	Purpose of the Policy	Establish rules for the management and investment of MHS Qualifying Funds
	Time Horizon	Non-Reserve Portfolio has a long-term time horizon and are not needed for operations for at least 7 years
	Investment Objectives	Preserves capital via the Reserve Portfolio , and mitigates unavoidable volatility and capital losses over shorter periods through diversity of the asset allocation strategy; Manages risk by diversifying investments, market segments, and investment styles; Maintains adequate liquidity consistent with MHS's annual budgeting process and longer-range projections and as further detailed in this Policy; Maximizes total investment return by an effective asset allocation process that results in returns in excess of the overall market while avoiding excessive risk; Emphasizes long-term capital growth, excluding contributions and withdrawals.
Governance	Standards and Duties	Ensure that management and investment decisions about any individual or group of assets adhere to the Investment Objectives; Ensure that costs incurred for the Investment Portfolio are appropriate and reasonable in relation to the Investment Portfolio in accordance with applicable law and are reviewed against comparables in accordance with reporting; Reasonable efforts are to be made to control risk, and investment managers will be evaluated regularly to ensure that the risk assumed is commensurate with the objectives.
	Investment Committee Responsibilities	Investment Committee shall meet quarterly to advise the Board of Trustees on the performance of the Investment Portfolio. MHS May retain the services of an Investment Advisor with certain qualifications. MHS shall manage and administer the ongoing operations of the Investment Portfolio by providing safekeeping of documents, making records available, establishing and monitoring a system of internal controls, and ensuring that investment activity is reviewed by an external auditor.
Investment Guidelines/Constraints	Reserve Portfolio	Minimum of 25% or \$300 million of investment portfolio over the course of the preceding fiscal year shall be invested as a reserve. Eligible securities and obligations stated.
	Non-Reserve Portfolio	Can have equity allocation up to 100% ; All permissible investments within the Reserve Portfolio are allowable with additional guidelines stated.
	Total Portfolio	Must have a minimum of 60% Fixed Income/Cash and Equivalents and maximum of 40% Equities
	Prohibited Investments and Transactions	Stated
Other	Ohio Revised Code Compliance	Invest in accordance with the provisions of Sections 339.06 and 339.061 of the Ohio Revised Code
	Ethics and Conflict of Interest	Stated



ESG PORTFOLIO SCORING

EQUITY PORTFOLIO – MORNINGSTAR SUSTAINABILITY RATINGS

Morningstar Sustainability:
The Sustainalytics' company-level ESG Risk Score measures the degree to which a company's economic value may be at risk driven by Environmental, Social and Governance factors.

Fund	MetroHealth Long-Term Pool	Morningstar Sustainability Rating	Sustainability Percent Rank in Category
US Equity			
Vanguard Institutional Index	46%	Average	54
Vanguard FTSE Social Index	11%	Above Average	17
Harbor Capital Apprec Instl	6%	Average	44
DFA US Large Cap Value I	6%	Below Average	88
Vanguard Mid Cap Index Admiral	8%	Above Average	27
Harbor Small Cap Growth Instl	4%	Above Average	17
Boston Partners Small Cap Value	4%	Average	44
International Equity			
Transamerica International Equity I	7%	Average	57
Vanguard International Growth	7%	Average	39

94% of Long-Term Pool investments have received an average or higher sustainability rating.

Sustainability Rating ⓘ



Source: Morningstar Direct

Transamerica International is rated Below Average when compared to Global Large Cap managers as per Morningstar. However, when compared to the International Large Cap Value universe (MSCI EAFE Value), it is Average.

EQUITY PORTFOLIO – CONTROVERSIAL PRODUCT INVOLVEMENT

			Alcohol		Tobacco		Firearms	
			%	%	%	%	%	%
Strategy as of 9/30/2024	Market Value	%	Strategy	Portfolio	Strategy	Portfolio	Strategy	Portfolio
NON-RESERVE LONG-TERM POOL								
Domestic Equity								
Vanguard Institutional Index	\$67,986,697	14.5%	0.1%	0.02%	0.6%	0.09%	2.6%	0.37%
Vanguard FTSE Social Index	\$16,169,921	3.5%	0.0%	0.00%	0.0%	0.00%	0.1%	0.00%
Harbor Capital Appreciation	\$9,534,084	2.0%	0.5%	0.01%	0.0%	0.00%	1.0%	0.02%
DFA U.S. Large Cap Value	\$9,628,365	2.1%	0.4%	0.01%	0.4%	0.01%	5.3%	0.11%
Vanguard Mid Cap Index	\$11,239,878	2.4%	0.2%	0.00%	0.0%	0.00%	2.5%	0.06%
Harbor Small Cap Growth	\$5,523,209	1.2%	0.0%	0.00%	0.0%	0.00%	5.9%	0.07%
Boston Partners Sm Cap Value	\$5,340,431	1.1%	0.0%	0.00%	0.8%	0.01%	0.0%	0.00%
International Equity								
Transamerica International	\$10,973,016	2.3%	2.6%	0.06%	0.0%	0.00%	0.0%	0.00%
Vanguard International Growth	\$10,625,620	2.3%	0.2%	0.01%	1.6%	0.04%	0.7%	0.02%
Cash								
First American Govt Obligations \	\$474,136	0.1%	0.0%	0.00%	0.0%	0.00%	0.0%	0.00%
NON-RESERVE SHORT-TERM POOL								
Fixed Income & Cash								
Vanguard Ultra Short-Term Bond	\$54,991,443	11.8%	0.4%	0.04%	2.9%	0.34%	2.5%	0.29%
Lord Abbett Short Duration Incon	\$53,317,841	11.4%	0.1%	0.01%	1.2%	0.13%	1.5%	0.17%
RESERVE POOL								
Fixed Income & Cash								
US Bank investment Account	\$167,828,274	35.9%	0.0%	0.00%	0.0%	0.00%	0.0%	0.00%
Fifth Third	\$43,109,313	9.2%	0.0%	0.00%	0.0%	0.00%	0.0%	0.00%
PNC Money Market	\$759,808	0.2%	0.0%	0.00%	0.0%	0.00%	0.0%	0.00%
Totals	\$467,502,035	100.0%	0.2%		0.6%		1.1%	
Total of Exposures		1.9%						

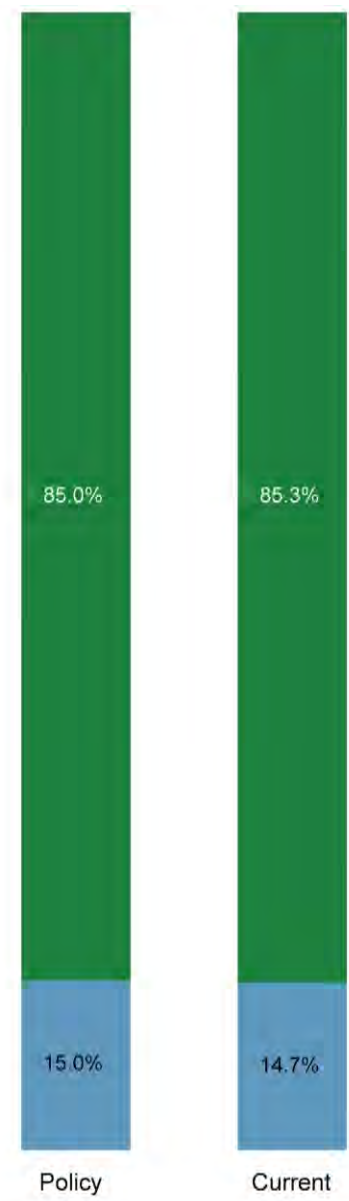
- Total exposures to Alcohol, Tobacco, and Firearms is 1.9%.
- MSCI All Country World Index total exposure to Alcohol, Tobacco, and Firearms is 4.0%
- Investment Team will monitor this annually with the goal of keeping total exposures below the MSCI All Country World Index

Firearms includes Controversial Weapons and Small Arms categories.



APPENDIX

METROHEALTH: ASSET ALLOCATION COMPLIANCE: NON-RESERVE POOL



	Current	Policy	Difference	Policy Range	Within Range
Total Domestic Equity	85.3	85.0	0.3	0.0 - 100.0	Yes
Total International Equity	14.7	15.0	-0.3	0.0 - 20.0	Yes
Total Equity	100.0	100.0	0.0		

METROHEALTH SYSTEM: PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Total Plan	100.0	3.8	8.1	13.1	9.5	4.1	4.1	-	-	8.7	-5.0	3.2	4.1	Aug-18
Non-Reserve Long-Term Pool	31.5	6.5	18.6	32.6	26.1	8.4	13.1	-	-	23.1	-19.2	21.9	11.2	Aug-18
<i>Non-Reserve LT Pool Benchmark</i>		6.5	19.4	33.3	26.8	9.1	13.8	-	-	23.9	-18.5	21.9	11.9	
Total Equity	31.4	6.5	18.6	32.6	26.1	8.4	13.1	-	-	23.2	-19.2	21.9	11.2	Aug-18
Total Domestic Equity	26.8	6.1	19.8	33.9	26.6	9.7	14.4	-	-	24.4	-19.0	25.7	12.7	Aug-18
<i>Russell 3000 Index</i>		6.2	20.6	35.2	27.6	10.3	15.3	13.7	12.8	26.0	-19.2	25.7	13.4	
Vanguard Institutional Index	14.5	5.9	22.0	36.3	28.7	11.9	15.9	14.5	13.3	26.2	-18.1	28.7	14.2	Aug-18
<i>S&P 500 Index</i>		5.9	22.1	36.4	28.8	11.9	16.0	14.5	13.4	26.3	-18.1	28.7	14.2	
Vanguard FTSE Social Index I	3.5	5.3	21.6	37.7	29.8	10.4	16.1	14.8	13.8	31.8	-24.2	27.8	9.4	Aug-21
<i>FTSE U.S. Choice Index</i>		5.3	21.7	37.8	30.0	10.5	16.2	14.9	14.0	31.9	-24.1	27.9	8.4	
Harbor Capital Apprec. Instl	2.0	1.4	22.8	42.8	36.4	7.3	18.7	16.8	15.7	53.7	-37.7	15.6	15.8	Aug-18
<i>Russell 1000 Growth Index</i>		3.2	24.6	42.2	34.8	12.0	19.7	18.2	16.5	42.7	-29.1	27.6	17.5	
DFA U.S. Lg Cap Value Instl	2.1	7.0	15.4	25.9	21.1	9.3	11.0	9.1	9.1	11.5	-5.8	28.1	8.7	Aug-18
<i>Russell 1000 Value Index</i>		9.4	16.7	27.8	20.9	9.0	10.7	9.5	9.2	11.5	-7.5	25.2	9.6	
Vanguard Mid Cap Index Adm	2.4	9.4	14.7	28.8	20.4	5.3	11.2	10.4	10.2	16.0	-18.7	24.5	10.0	Aug-18
<i>Vanguard Mid Cap Index Benchmark</i>		9.4	14.7	28.8	20.4	5.3	11.2	10.4	10.2	16.0	-18.7	24.5	10.0	
Harbor Small Cap Growth Instl	1.2	9.4	12.5	27.0	19.8	2.2	12.0	11.3	10.9	22.2	-25.5	9.8	9.8	Aug-18
<i>Russell 2000 Growth Index</i>		8.4	13.2	27.7	18.3	-0.4	8.8	7.6	8.9	18.7	-26.4	2.8	6.0	
Boston Partners Sm Cap Value II I	1.1	7.9	11.1	23.4	19.0	5.9	9.6	7.1	8.3	16.7	-11.5	25.8	6.7	Dec-21
<i>Russell 2000 Value Index</i>		10.2	9.2	25.9	16.5	3.8	9.3	6.6	8.2	14.6	-14.5	28.3	3.9	
Total International Equity	4.6	9.2	12.4	25.8	23.3	2.0	7.1	-	-	16.9	-20.5	6.1	4.6	Aug-18
<i>MSCI AC World ex USA (Net)</i>		8.1	14.2	25.4	22.8	4.1	7.6	5.4	5.2	15.6	-16.0	7.8	5.6	
Transamerica International Equity I	2.3	8.2	11.8	23.1	24.6	5.2	8.2	5.2	5.2	16.0	-14.1	13.2	5.3	Aug-18
<i>MSCI AC World ex USA (Net)</i>		8.1	14.2	25.4	22.8	4.1	7.6	5.4	5.2	15.6	-16.0	7.8	5.6	
Vanguard International Growth Adm	2.3	7.4	15.8	28.9	22.4	-3.6	10.8	8.3	9.0	14.8	-30.8	-0.7	-	Oct-24
<i>MSCI AC World ex USA (Net)</i>		8.1	14.2	25.4	22.8	4.1	7.6	5.4	5.2	15.6	-16.0	7.8	-	
Total Fixed Income & Cash	0.1	1.2	3.7	5.0	4.6	3.2	2.0	-	-	4.7	1.1	0.0	2.0	Aug-18
First American Govt Obligations Y	0.1	1.2	3.7	5.0	4.6	3.2	2.0	1.9	1.4	4.7	1.3	0.0	2.0	Aug-18
<i>90 Day U.S. Treasury Bill</i>		1.4	4.0	5.5	5.0	3.5	2.3	2.2	1.6	5.0	1.5	0.0	2.3	

METROHEALTH SYSTEM: PERFORMANCE REPORT CARD

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Non-Reserve Short-Term Pool	23.2	2.5	5.0	7.6	5.8	2.5	-	-	-	5.5	-2.6	-	2.3	May-21
Blmbg. U.S. Treasury: 1-3 Year		2.9	4.1	6.8	4.6	1.3	1.5	1.7	1.4	4.3	-3.8	-0.6	1.1	
Vanguard Ultra-Short-Term Bond Adm	11.8	2.1	4.7	6.9	5.6	3.2	2.5	2.5	-	5.5	-0.4	0.2	2.8	May-21
Blmbg. U.S. Treasury: 1-3 Year		2.9	4.1	6.8	4.6	1.3	1.5	1.7	1.4	4.3	-3.8	-0.6	1.1	
Lord Abbett Short Duration Income F3	11.4	2.9	5.3	8.3	6.0	2.0	2.3	2.5	2.4	5.5	-4.5	1.2	1.9	May-21
Blmbg. U.S. Treasury: 1-3 Year		2.9	4.1	6.8	4.6	1.3	1.5	1.7	1.4	4.3	-3.8	-0.6	1.1	
Reserve Pool	45.3	2.4	4.0	6.4	4.7	2.2	1.9	-	-	4.6	-1.6	-0.3	2.2	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		2.9	4.1	6.8	4.6	1.3	1.5	1.7	1.4	4.3	-3.8	-0.6	1.9	
Total Fixed Income	45.3	2.4	4.0	6.4	4.7	2.2	1.9	-	-	4.6	-1.6	-0.3	2.2	Aug-18
US Bank Investment Account	35.9	2.5	3.9	6.5	4.7	1.5	1.6	-	-	4.8	-3.5	-0.4	2.0	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		2.9	4.1	6.8	4.6	1.3	1.5	1.7	1.4	4.3	-3.8	-0.6	1.9	
Fifth-Third Managed	9.2	3.3	4.3	7.6	4.9	1.0	1.4	-	-	4.5	-4.8	-1.1	2.0	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		2.9	4.1	6.8	4.6	1.3	1.5	1.7	1.4	4.3	-3.8	-0.6	1.9	
PNC Money Market	0.2	1.3	3.9	5.2	4.9	3.4	2.2	-	-	4.9	1.5	0.0	2.2	Aug-18

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
Devoted to Hope, Health, and Humanity



Unaudited Financial and Operational Results

For the Quarter Ended September 30, 2024

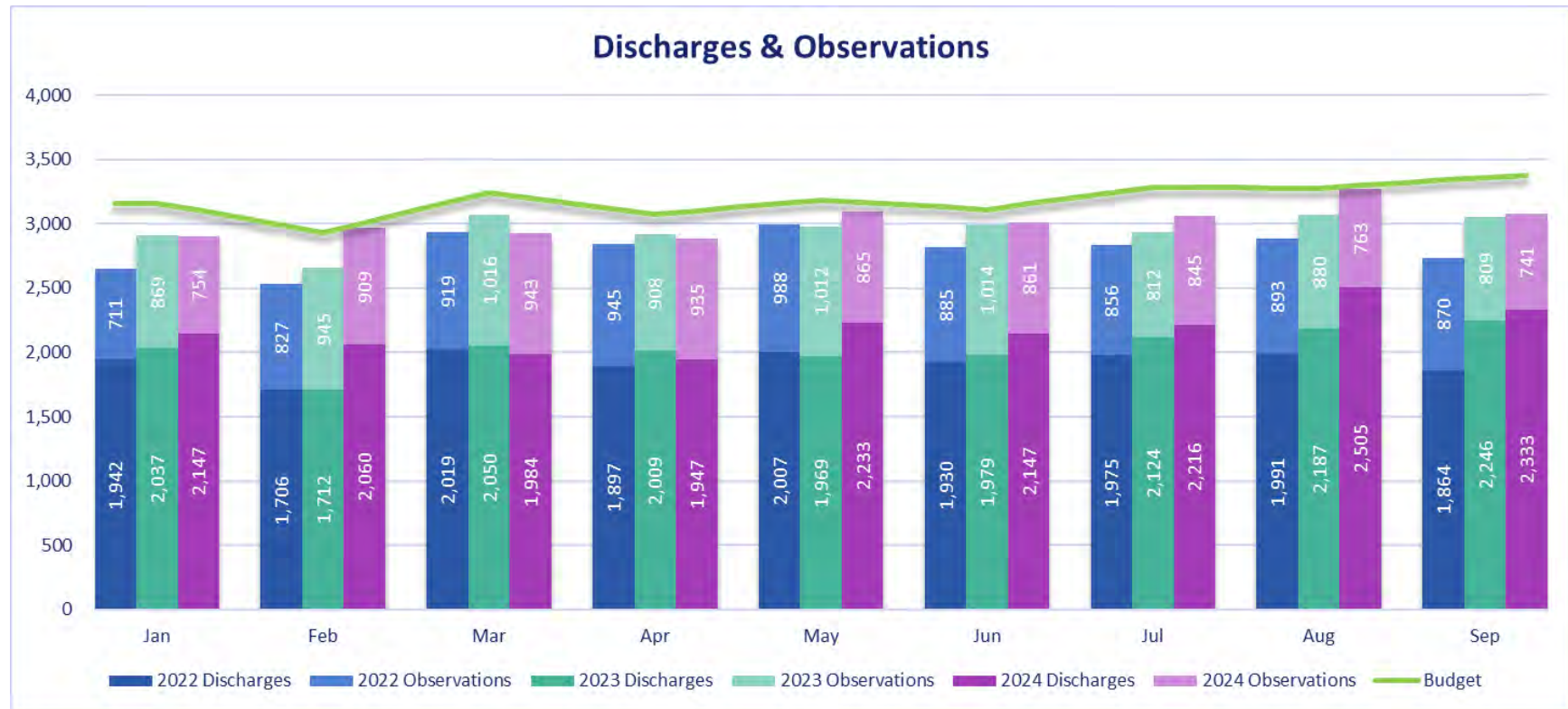
Finance Committee

October 23, 2024

Matters for Board Attention

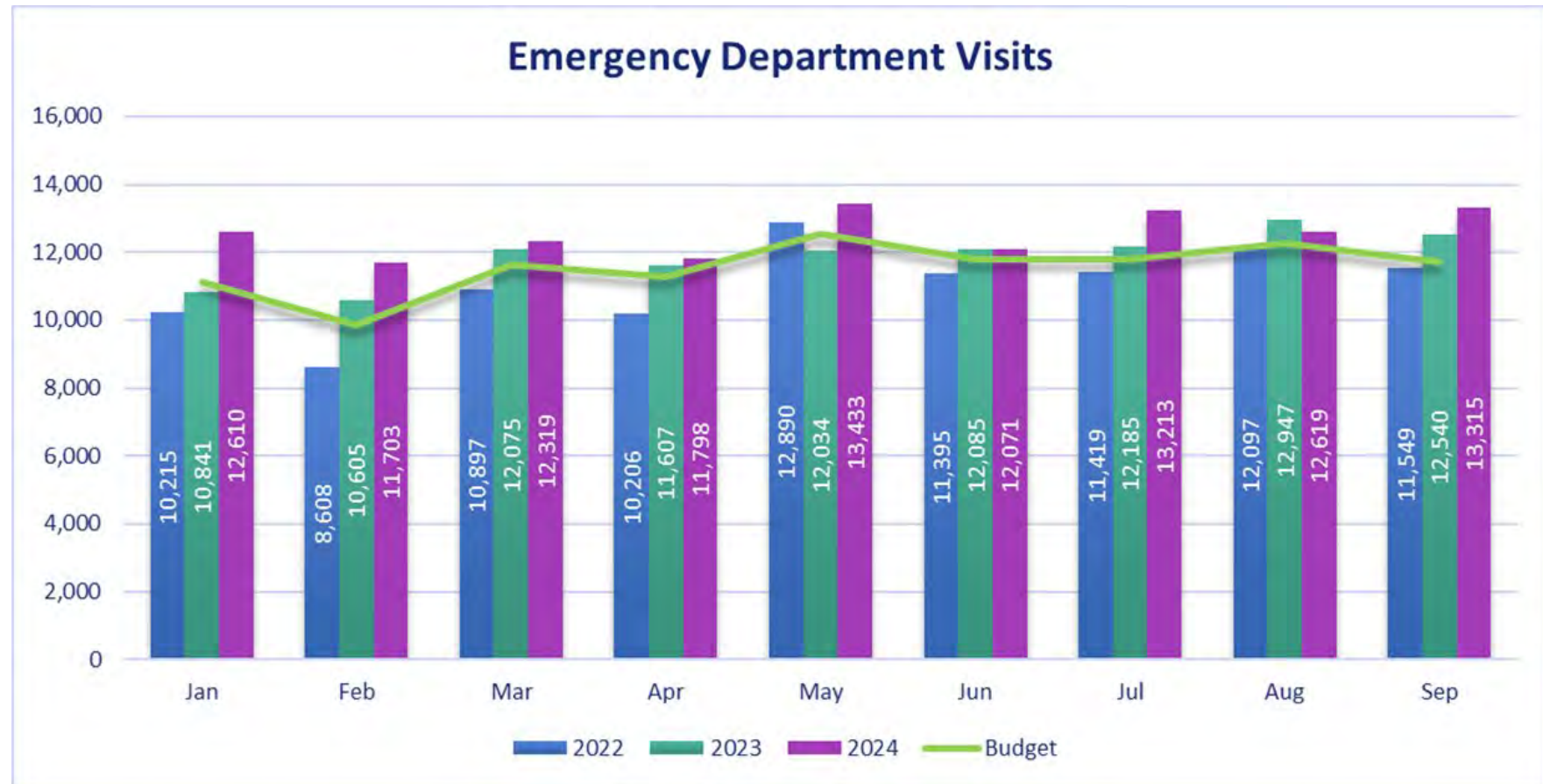
- EBIDA for the nine months ended September 30, 2024, was \$83M, which falls \$21M short of budget and \$6M behind the nine months ended September 30, 2023 EBIDA margin of \$89M.
- Net Patient Revenue is unfavorable to budget by \$34M, due to Surgical discharges and volumes at the Cleveland Heights Behavioral Health Hospital which have lagged behind budget despite both showing growth over the prior year.
- Emergency department visits exceed budget year-to-date by 9% and prior year by 6%. Emergency admissions as a % of total discharges is 79%, which exceeds budget by 11% and is consistent with prior year.
- Overtime & Contract Labor are within budget and have been reduced 29% over prior year. Full Time Equivalents and the associated salaries, wages and benefit costs are below budget by 3%.
- Retail Pharmacy Prescriptions filled continue to grow, increasing 14% over prior year, while drug costs exceed budget by 17%.
- Management continues its implementation of the performance improvement plan. MetroWay Forward improvement initiatives of \$35M are falling behind schedule for this year.
- EBIDA projections for 2025 has been lowered to \$125M. Management will continue working on achieving the \$140M original EBIDA target.

Total Discharges & Observations Exceed Prior Year by 2.3%



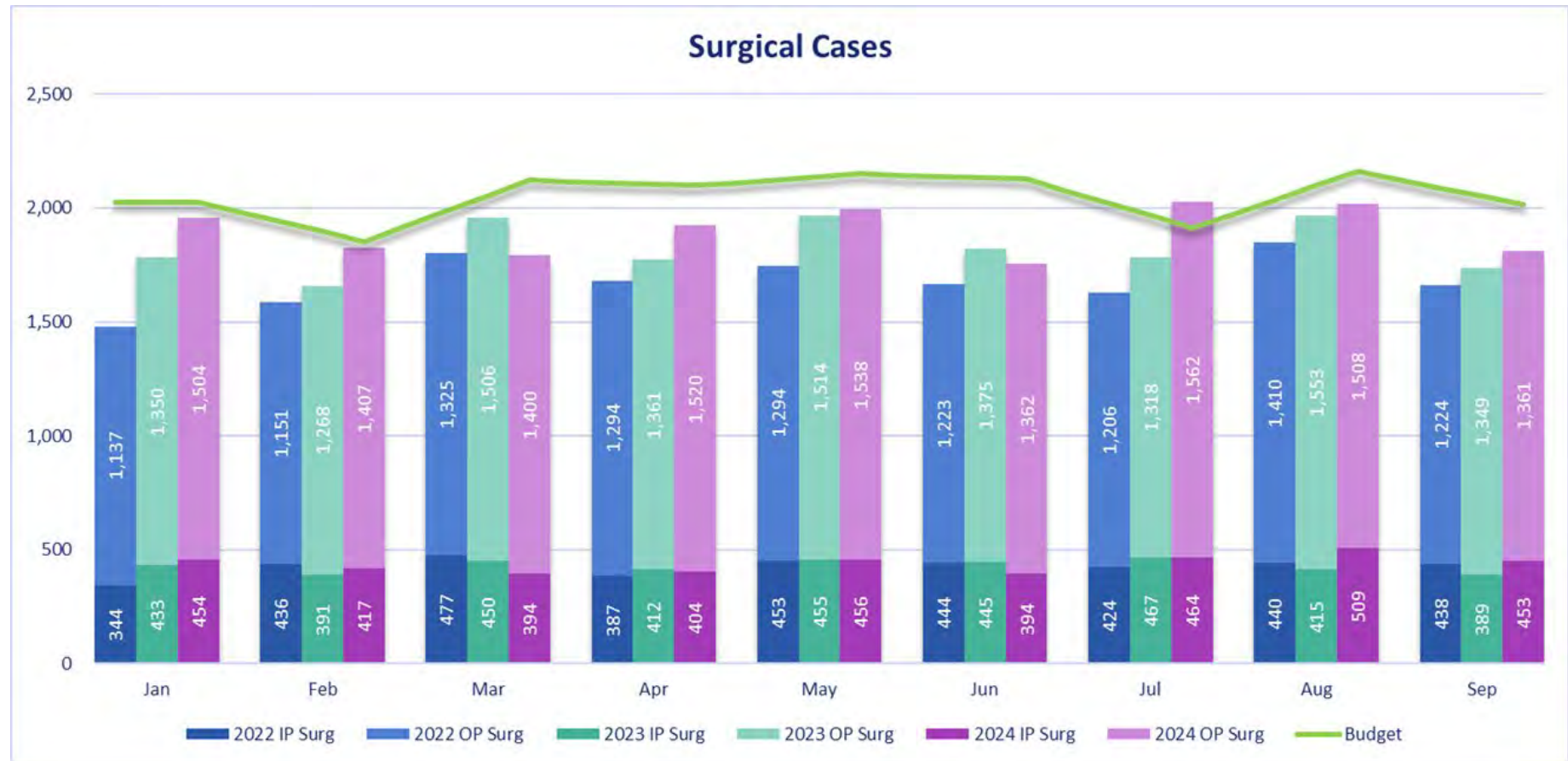
Discharges & Observations YTD Totals	Discharges	Observations	Total Discharges & Observations
2022	17,331	7,894	25,225
2023	18,313	8,265	26,578
2024	19,572	7,616	27,188
2024 Budget	20,523	8,106	28,629

Emergency Visit Volumes Exceed Budget by 8.7%



Emergency Departments YTD Totals	Emergency Department Visits	Emergency Department Admissions as a % of Discharges
2022	99,276	78.6%
2023	106,919	79.4%
2024	113,081	79.4%
2024 Budget	103,984	68.2%

Total Surgical Cases Increased 4.0% Over Prior Year



Surgical Cases YTD Total	Inpatient Surgical Cases	Outpatient Surgical Cases	Total Surgical Cases
2022	3,843	11,264	15,107
2023	3,857	12,594	16,451
2024	3,945	13,162	17,107
2024 Budget	4,717	13,752	18,469

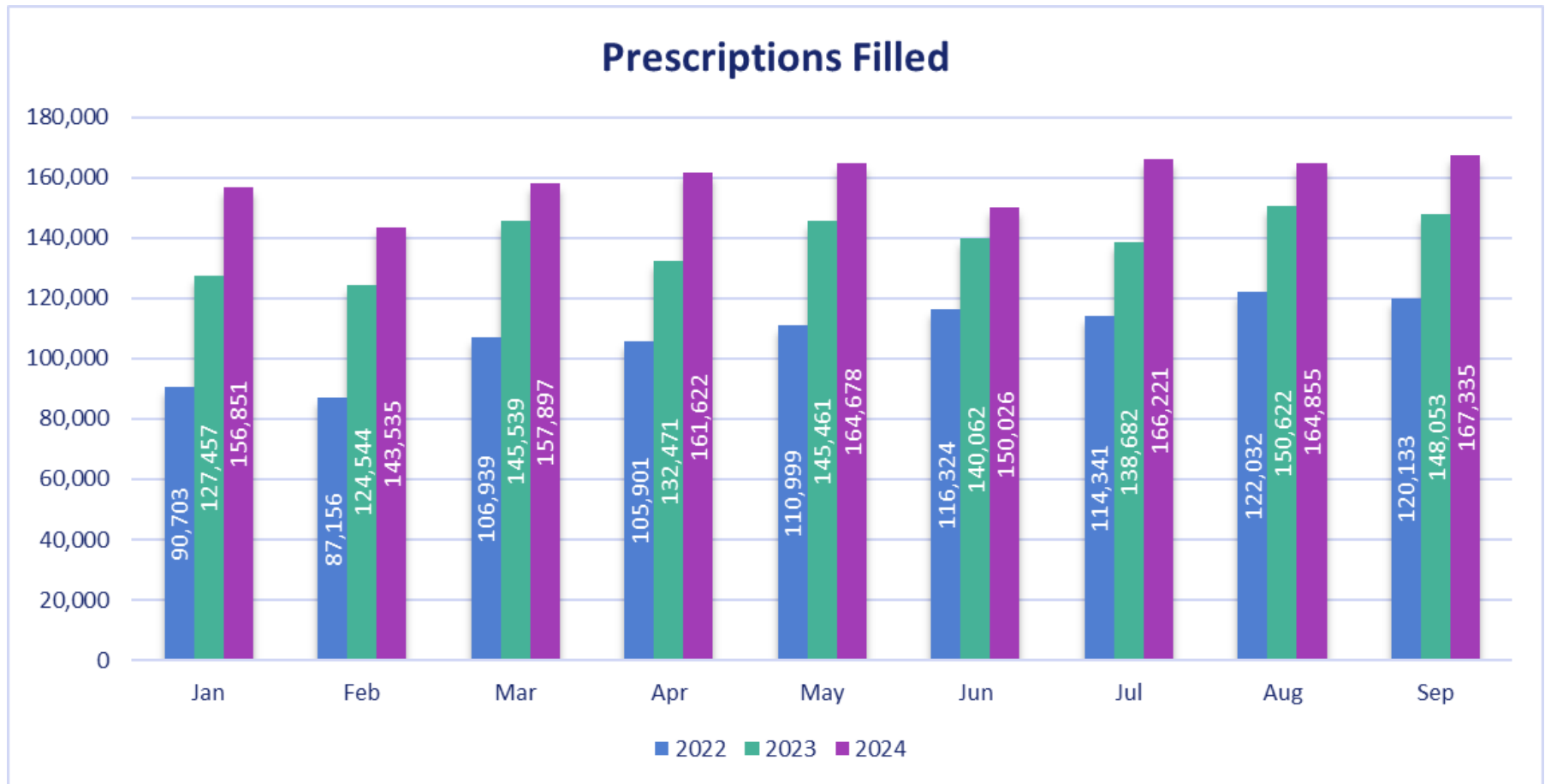
Total Outpatient Visits Exceed Prior Year by 4.4%

Outpatient Visits



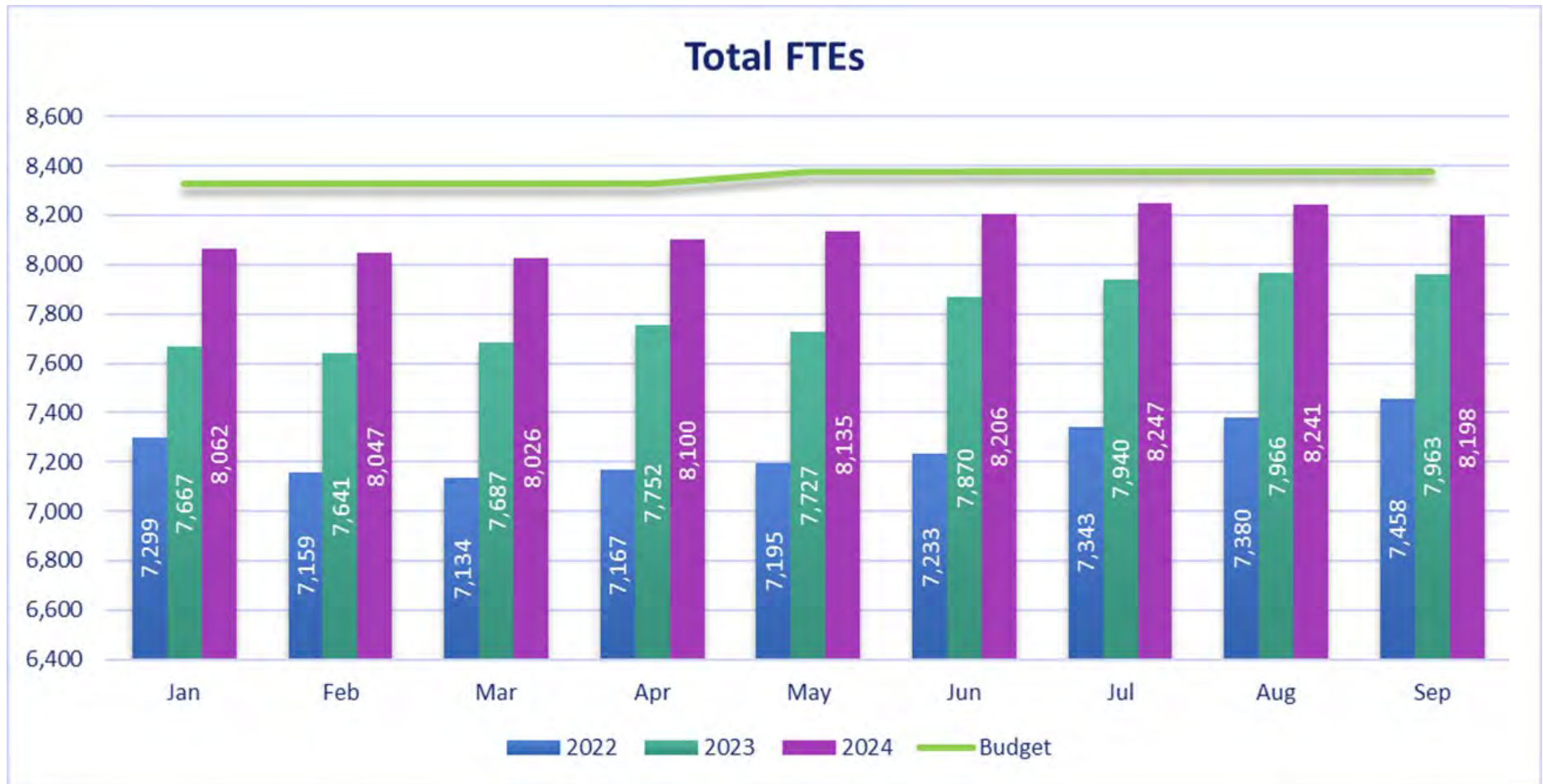
Outpatient Visit YTD Totals	In-Person	Telehealth	Total Outpatient Visits
2022	760,381	184,213	944,594
2023	841,922	147,627	989,549
2024	890,177	142,685	1,032,862
2024 Budget	913,150	102,221	1,015,371

Retail Pharmacy Prescriptions Filled Exceed Prior Year by 14.4%



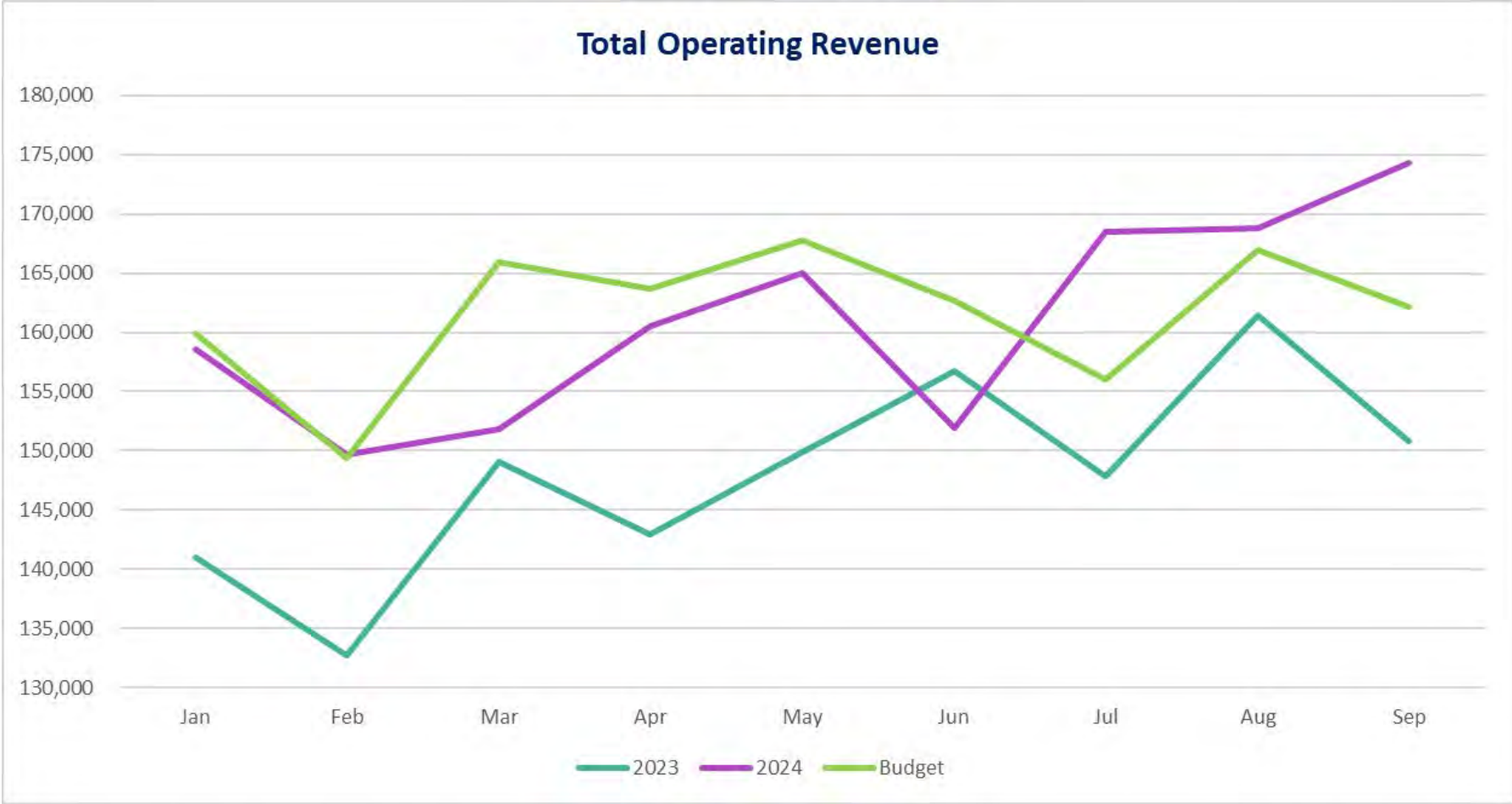
Prescriptions Filled Totals	Prescriptions Filled	Capture Rate YTD
2022	974,528	40.7%
2023	1,252,891	46.1%
2024	1,433,020	53.1%

FTEs are 2.6% Below Budget



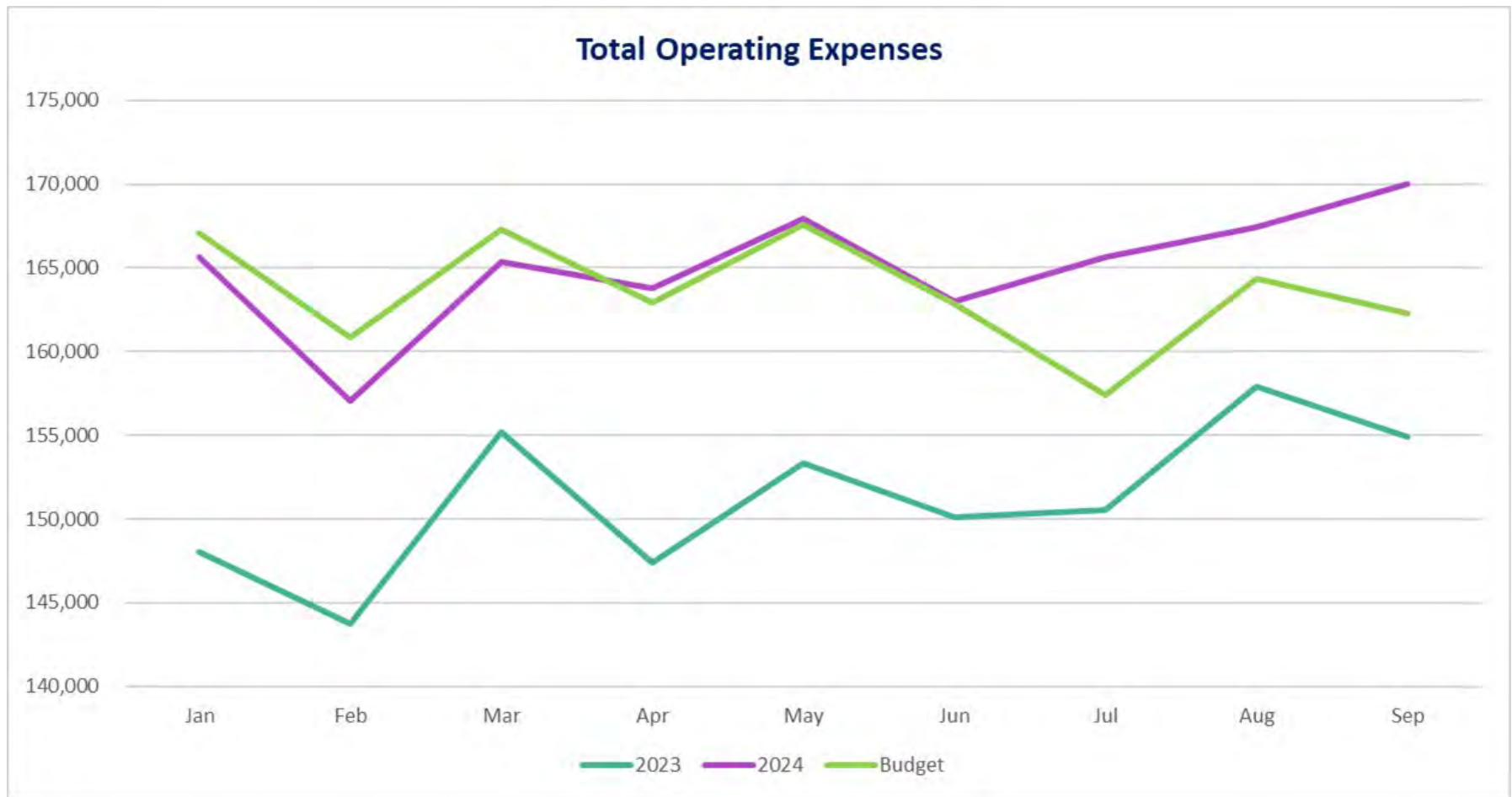
Total FTEs	FTEs
2022	7,263
2023	7,801
2024	8,140
2024 Budget	8,361

Total Operating Revenue Increased 8.8% from Prior Year



Total Operating Revenue	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
2023	\$141,041	\$132,743	\$149,091	\$142,906	\$149,866	\$156,716	\$147,896	\$161,450	\$150,772	\$1,332,481
2024	\$158,565	\$149,724	\$151,879	\$160,504	\$165,039	\$151,900	\$168,450	\$168,811	\$174,276	\$1,449,148
2024 Budget	\$159,884	\$149,385	\$165,900	\$163,654	\$167,759	\$162,701	\$156,055	\$166,980	\$162,197	\$1,454,515

Total Operating Expenses Differs from Budget by Only 0.9%



Total Operating Expenses	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total
2023	\$148,014	\$143,735	\$155,206	\$147,395	\$153,316	\$150,090	\$150,550	\$157,946	\$154,930	\$1,361,182
2024	\$165,673	\$157,086	\$165,362	\$163,792	\$167,905	\$163,000	\$165,618	\$167,416	\$169,973	\$1,485,825
2024 Budget	\$167,076	\$160,825	\$167,259	\$162,952	\$167,549	\$162,835	\$157,383	\$164,388	\$162,305	\$1,472,572

Statement of Revenues, Expense and Changes in Net Position

For the Nine Months Ended September 30



In Thousands

	NINE MONTHS ENDED SEPTEMBER 30							
	2024 Actual	2024 Budget	Variance			2023 Actual	Variance	
			\$	%		\$	\$	%
Operating Revenues								
Net Patient Revenue ¹	\$ 1,016,490	\$ 1,050,805	\$ (34,315)	(3.3%)		\$ 925,311	91,179	9.9%
Pharmacy Revenue	318,743	304,727	14,016	4.6%		271,424	47,319	17.4%
Other Revenue ^{1,2}	113,915	98,983	14,932	15.1%		135,746	(21,831)	(16.1%)
Total Operating Revenue	\$ 1,449,148	\$ 1,454,515	\$ (5,367)	(0.4%)		\$ 1,332,481	\$ 116,667	8.8%
Operating Expenses								
Salaries and wages	669,228	693,534	(24,306)	(3.5%)		638,978	30,250	4.7%
Employee Benefits	175,221	174,151	1,070	0.6%		155,666	19,555	12.6%
Purchased services	95,662	96,403	(741)	(0.8%)		88,947	6,715	7.5%
Medical supplies	100,095	92,585	7,510	8.1%		84,292	15,803	18.7%
Pharmaceuticals	217,008	186,202	30,806	16.5%		173,042	43,966	25.4%
Plant operations	33,336	33,429	(93)	(0.3%)		29,890	3,446	11.5%
Non-medical supplies	13,440	12,998	442	3.4%		12,609	831	6.6%
Other expenses	61,665	60,873	792	1.3%		59,827	1,838	3.1%
Operating Expense Before Interest, Depreciation and Amortization	\$ 1,365,655	\$ 1,350,175	\$ 15,480	1.1%		\$ 1,243,251	\$ 122,404	9.8%
EBIDA	\$ 83,493	\$ 104,340	\$ (20,847)	(20.0%)		\$ 89,230	\$ (5,737)	(6.4%)
Depreciation and amortization	77,623	80,364	(2,741)	(3.4%)		75,520	2,103	2.8%
Interest expense ²	42,547	42,033	514	1.2%		42,411	136	0.3%
Total Operating Expenses	\$ 1,485,825	\$ 1,472,572	\$ 13,253	0.9%		\$ 1,361,182	\$ 124,643	9.2%
Operating Loss	\$ (36,677)	\$ (18,057)	\$ (18,620)	(103.1%)		\$ (28,701)	\$ (7,976)	(27.8%)
Non-Operating Revenues (Expenses)								
Net investment income	52,258	13,534	38,724	286.1%		23,453	28,805	122.8%
Other non-operating (expense) revenue	(6,547)	(1,060)	(5,487)	(517.6%)		471	(7,018)	(1,490.0%)
Total Non-Operating Revenues (Expenses)	\$ 45,711	\$ 12,474	\$ 33,237	266.5%		\$ 23,924	\$ 21,787	91.1%
Change in Net Position	\$ 9,034	\$ (5,583)	\$ 14,617	261.8%		\$ (4,777)	\$ 13,811	289.1%

1 - County Funding is classified as Net Patient Revenue in 2024, but was previously presented within Other Revenue in 2023

2 - 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.

Statement of Revenues, Expense and Changes in Net Position

For the Three Months Ended September 30

In Thousands

	THREE MONTHS ENDED SEPTEMBER 30							
	2024 Actual	2024 Budget	Variance			2023 Actual	Variance	
			\$	%		\$	\$	%
Operating Revenues								
Net Patient Revenue ¹	\$ 356,321	\$ 352,356	\$ 3,965	1.1%		\$ 320,729	35,592	11.1%
Pharmacy Revenue	113,101	100,546	12,555	12.5%		93,557	19,544	20.9%
Other Revenue ^{1,2}	42,113	32,333	9,780	30.2%		45,832	(3,719)	(8.1%)
Total Operating Revenue	\$ 511,535	\$ 485,235	\$ 26,300	5.4%		\$ 460,118	\$ 51,417	11.2%
Operating Expenses								
Salaries and wages	224,402	227,849	(3,447)	(1.5%)		216,914	7,488	3.5%
Employee Benefits	58,858	56,992	1,866	3.3%		55,282	3,576	6.5%
Purchased services	33,045	32,246	799	2.5%		28,107	4,938	17.6%
Medical supplies	34,878	31,069	3,809	12.3%		28,151	6,727	23.9%
Pharmaceuticals	75,418	60,040	15,378	25.6%		58,642	16,776	28.6%
Plant operations	11,744	11,405	339	3.0%		10,191	1,553	15.2%
Non-medical supplies	4,731	4,257	474	11.1%		4,314	417	9.7%
Other expenses	19,226	20,048	(822)	(4.1%)		20,867	(1,641)	(7.9%)
Operating Expense Before Interest, Depreciation and Amortization	\$ 462,302	\$ 443,906	\$ 18,396	4.1%		\$ 422,468	\$ 39,834	9.4%
EBIDA	\$ 49,233	\$ 41,329	\$ 7,904	19.1%		\$ 37,650	\$ 11,583	30.8%
Depreciation and amortization	26,464	26,193	271	1.0%		26,788	(324)	(1.2%)
Interest expense ²	14,241	13,976	265	1.9%		14,173	68	0.5%
Total Operating Expenses	\$ 503,007	\$ 484,075	\$ 18,932	3.9%		\$ 463,429	\$ 39,578	8.5%
Operating Income	\$ 8,528	\$ 1,160	\$ 7,368	635.2%		\$ (3,311)	\$ 11,839	357.6%
Non-Operating Revenues (Expenses)								
Net investment income	25,410	4,217	21,193	502.6%		(4,014)	29,424	733.0%
Other non-operating (expense) revenue	(4,549)	(357)	(4,192)	(1,174.2%)		30	(4,579)	(15,263.3%)
Total Non-Operating Revenues (Expenses)	\$ 20,861	\$ 3,860	\$ 17,001	440.4%		\$ (3,984)	\$ 24,845	623.6%
Change in Net Position	\$ 29,389	\$ 5,020	\$ 24,369	485.4%		\$ (7,295)	\$ 36,684	502.9%

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Statements of Net Position

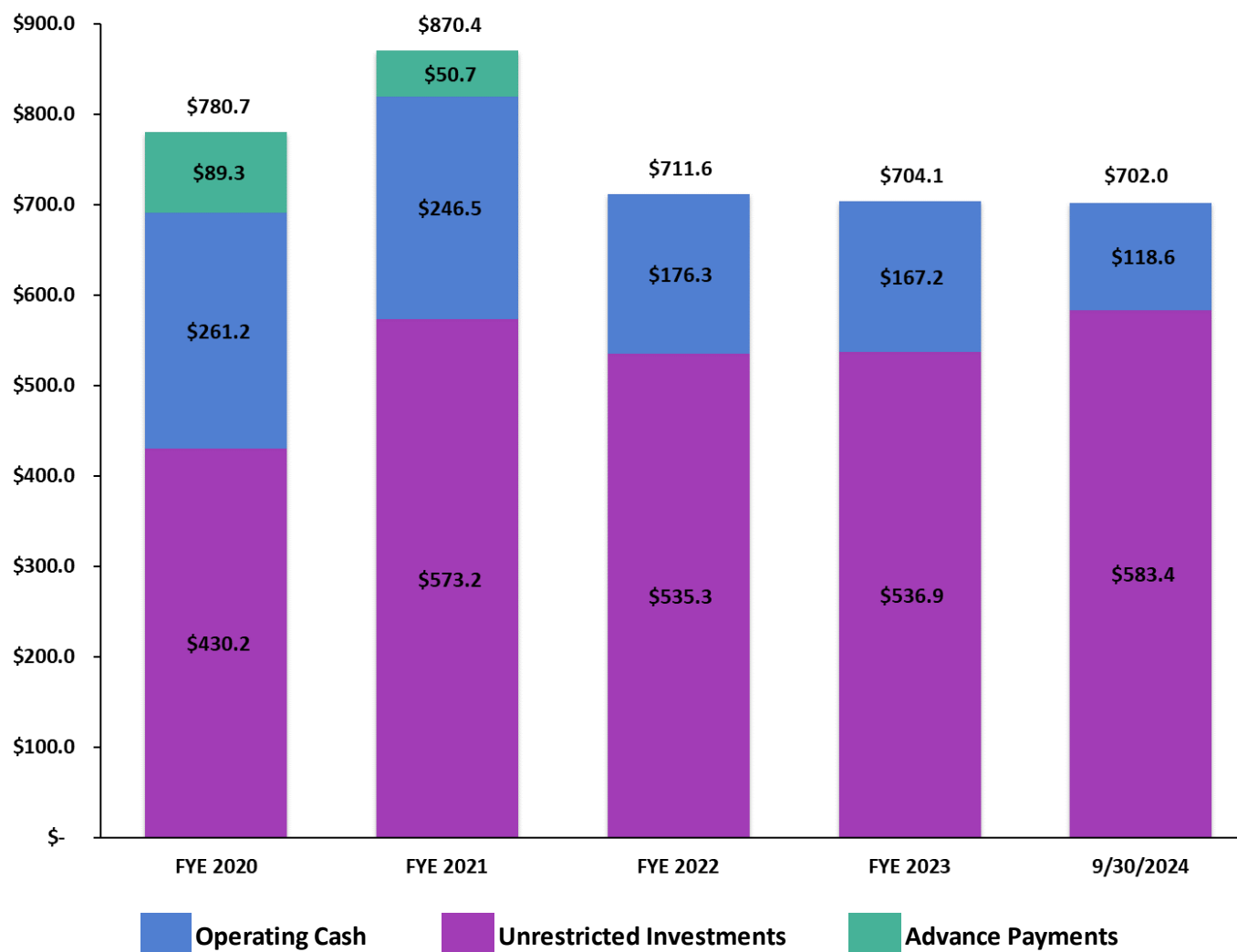
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

(Dollars in Thousands)

	Unaudited	Audited
Assets	9/30/24	12/31/23
Current Assets:		
Cash and cash equivalents	\$ 118,594	\$ 167,168
Net accounts receivable	149,614	149,545
Other current assets	141,404	134,563
Total current assets	409,612	451,276
Noncurrent Assets:		
Investments	583,436	536,909
Restricted assets	47,465	62,603
Capital assets, net:	1,204,884	1,234,442
Right-of-use assets, net:	114,977	103,479
Other noncurrent assets	31,349	44,799
Total noncurrent assets	1,982,111	1,982,232
Total assets	2,391,723	2,433,508
Deferred Outflows of Resources	523,658	523,837
Total Assets and Deferred Outflows of Resources	\$ 2,915,381	\$ 2,957,345

	Unaudited	Audited
Liabilities	9/30/24	12/31/23
Current Liabilities:		
Accounts payable	\$ 77,608	\$ 89,657
Accrued payroll and related liabilities	72,492	108,655
Other current liabilities	79,711	72,120
Total current liabilities	229,811	270,432
Long-Term Liabilities, less current installments:		
Net pension and OPEB liabilities	1,062,775	1,062,775
Long-term debt	1,011,839	1,025,014
Other long-term liabilities	175,209	166,135
Total long-term liabilities	2,249,823	2,253,924
Total liabilities	2,479,634	2,524,356
Deferred Inflows of Resources	13,327	19,603
Total Net Position	422,420	413,386
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,915,381	\$ 2,957,345

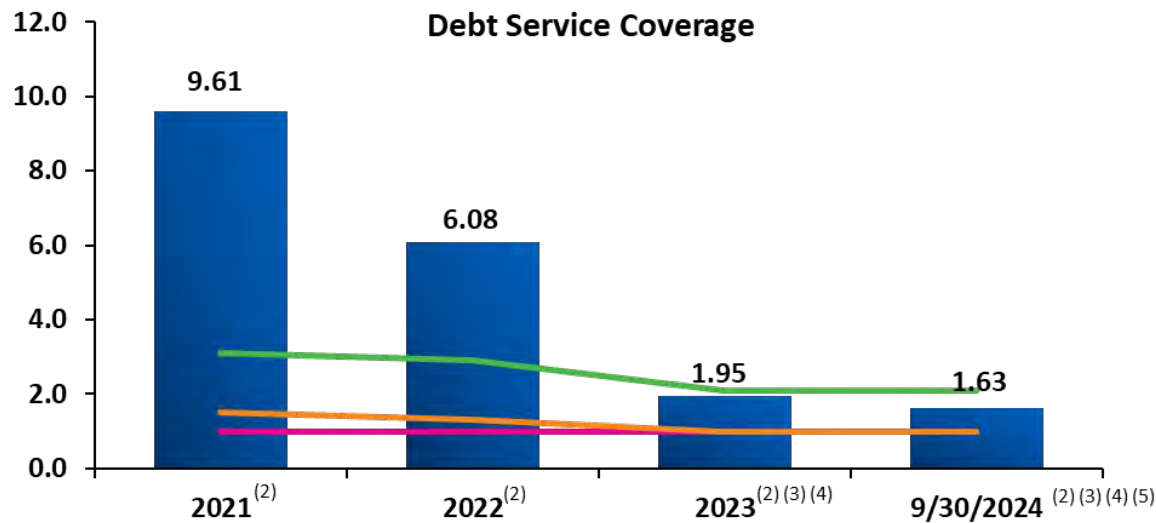
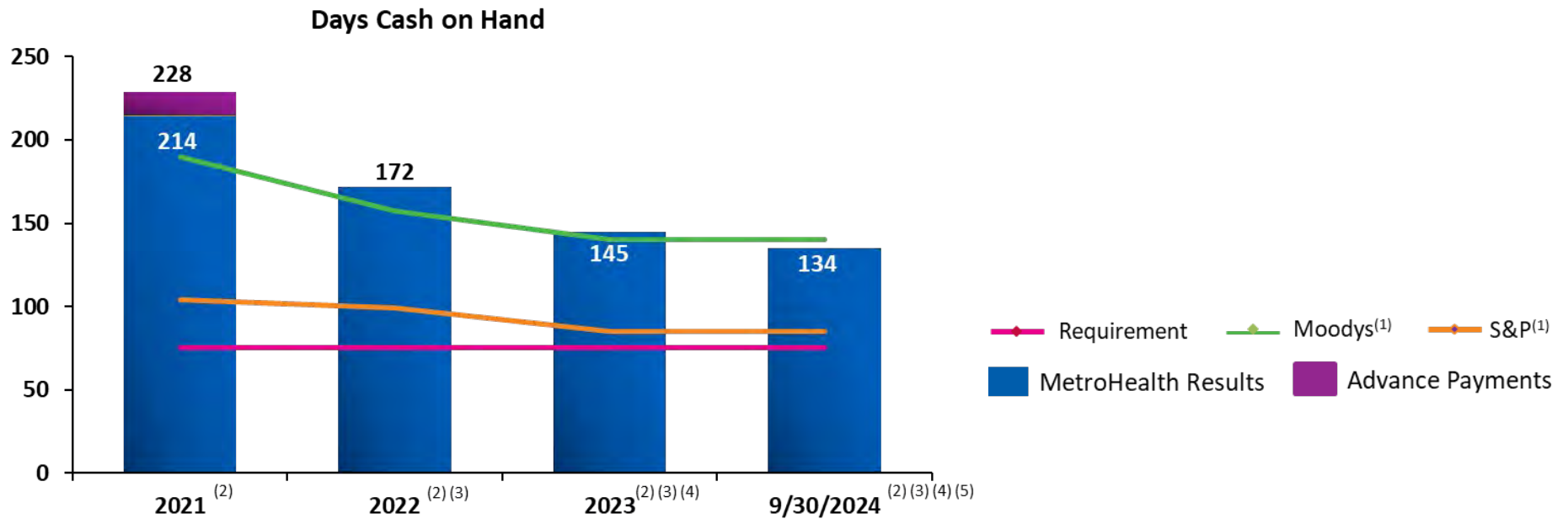
Unrestricted Cash & Investments



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



- (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 30, 2024

September 2024 MetroHealth Metrics vs. Rating Agency Medians (BBB Rating)					
	MetroHealth Value	Moody's		S&P	
		Benchmark Medians	Variance	Benchmark Medians	Variance
Operating Margins	-1.97%	-1.90%	-3.49%	-2.70%	27.18%
Excess Margins	2.24%	-0.90%	348.47%	-2.30%	197.23%
Operating EBITDA Margins	5.37%	3.20%	67.87%	4.10%	31.02%
Cash Flow as % of Total Liabilities	6.01%	N/A	N/A	1.50%	300.36%
Return on Assets	1.88%	-0.60%	413.37%	N/A	N/A
Maximum Annual Debt Service Coverage	1.60	2.50	-36.14%	1.00	59.65%
Cash on Hand (Days)	135.04	140.30	-3.75%	84.90	59.05%
Cushion ratio	10.98	17.20	-36.19%	10.20	7.61%
Cash-to-Debt	68.51%	160.50%	-57.31%	66.80%	2.56%
Account Receivable (days)	40.49	48.00	-15.65%	51.20	-20.92%
EBITDA Debt Service Coverage	1.63	2.10	-22.54%	N/A	N/A
Capital Spending Ratio (x)	2.07	1.00	106.86%	N/A	N/A
Capital Expenditures as % of Depreciation Expense	206.86%	N/A	N/A	108.00%	91.54%
Debt-to-capitalization	52.06%	32.70%	59.20%	56.40%	-7.70%
Debt-to-Cash Flow (x)	9.89	5.50	79.83%	N/A	N/A
Average Age of Plant (Years)	8.24	14.00	-41.15%	14.00	-41.15%

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

(Dollars in Thousands)

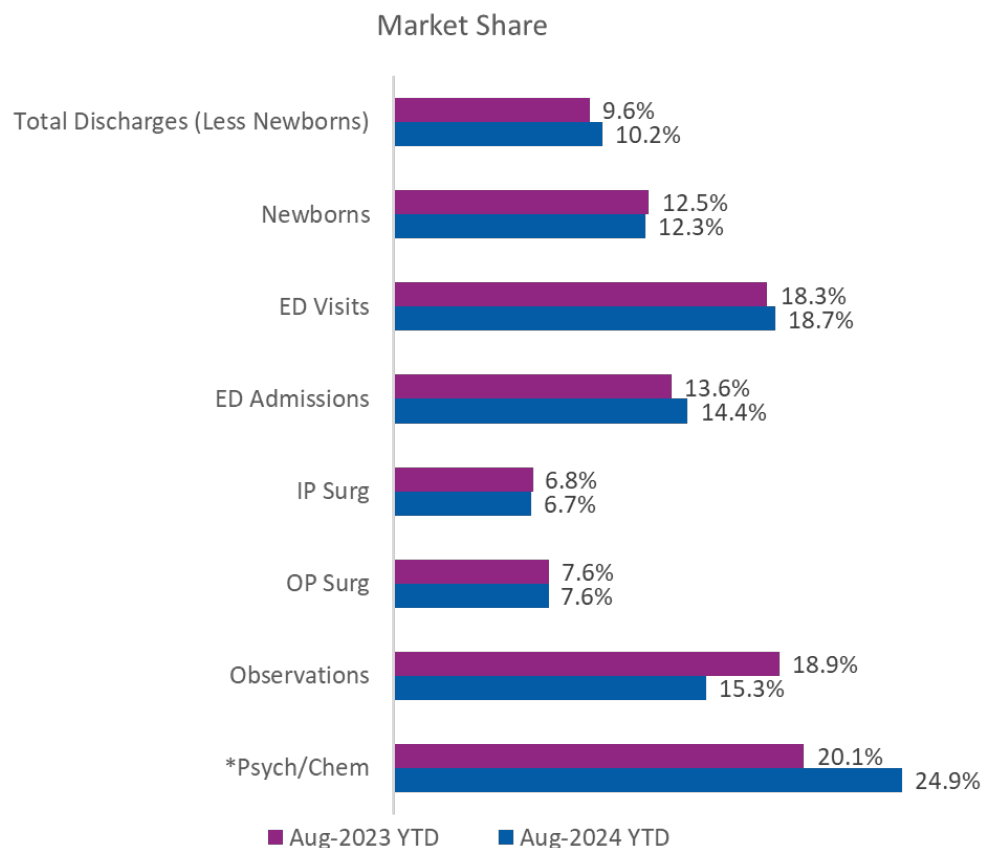
Through September 30, 2024						
	Approved	Spent	Committed	Allocated	Balance \$	Balance %
2023	30,000	18,963	3,203	6,052	1,782	5.9%
2024	40,000	9,729	12,954	5,380	11,937	29.8%
Total	\$ 70,000	\$ 28,692	\$ 16,157	\$ 11,432	\$ 13,719	19.5%
		41.0%	23.1%	16.3%	19.6%	

	Approved	Spent	Committed	Allocated	Balance \$	Balance %
Routine/Strategic	35,760	7,918	11,412	4,853	11,577	32.3%
Contingency	2,240	876	957	191	216	9.7%
Minor	2,000	935	585	336	144	7.2%
2024	\$ 40,000	\$ 9,729	\$ 12,954	\$ 5,380	\$ 11,937	29.8%

Definitions:

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

MetroHealth System Market Share



Service	Market Insights
Total Discharges (Less Newborns)	MetroHealth and CCHS discharges and share are up from the prior year, while UH is down. July and August 2024 have both been solid for MH, outperforming the same period in 2023.
Newborns	UH growth drives the market's uptick, however MetroHealth saw <i>volume</i> improvement in August 2024 while CCHS saw slight volume loss.
ED Visits & ED Admissions	All Systems saw growth in ED Visits, but only MetroHealth and CCHS grew in ED Admissions.
IP Surg	MH was flat in a growing market, leading to small share loss.
OP Surg	MetroHealth saw volume gain, but at a slower pace than market and lost slight share. CCHS drove market growth.
Observations	UH restated Observation volumes, driving a market increase. MH and CCHS lost share.
*Psych/Chem	MH growth drove market increases.

Note: MetroHealth Total Discharges, ED Visits, ED Admissions and Observations include volume from Brecksville, Cleveland Hts and Parma where applicable.
Data Source: CHA

Volume Change by Service

YTD August 2023 Compared to YTD August 2024

System	Total Disch (Minus Newborns)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Psych- Chem
<i>Market (Cuyahoga Hosps)</i>	2.3%	6.3%	1.5%	3.5%	13.4%	1.8%	5.5%	6.7%
MetroHealth System*	8.8%	4.6%	6.9%	5.7%	-8.6%	0.0%	5.2%	33.1%
CCHS	3.2%	-0.1%	2.9%	4.3%	0.4%	5.8%	10.2%	-1.3%
UHHS	-1.0%	16.0%	-2.4%	1.1%	47.8%	-4.6%	-0.2%	5.5%
Hospital	Total Disch (Minus Newborns)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Psych- Chem
MetroHealth System*	8.8%	4.6%	6.9%	5.7%	-8.6%	0.0%	5.2%	33.1%
CCHS Cleveland Clinic*	2.1%		9.2%	13.3%	6.4%	4.8%	13.5%	
CCHS Euclid	10.9%		1.4%	4.9%	9.6%	6.2%	-0.3%	37.7%
CCHS Fairview	5.1%	0.0%	6.6%	2.0%	-10.9%	9.3%	9.1%	-0.2%
CCHS Hillcrest	1.6%	-0.3%	-5.7%	-3.5%	-9.1%	9.5%	2.0%	
CCHS Lutheran	-0.7%		-2.8%	3.4%	6.0%	7.5%	6.1%	-1.2%
CCHS Marymount	5.4%		4.8%	3.7%	28.2%	1.4%	3.5%	-8.0%
CCHS South Pointe	5.7%		5.3%	6.5%	25.8%	-6.4%	18.6%	
UH Ahuja	0.7%		7.8%	10.8%	28.9%	-5.1%	6.2%	
UH (LHS) Beachwood	-24.9%		-42.9%	1.8%	1364.3%	-30.2%	13.3%	
UH Cleveland*	-0.7%	21.1%	-10.0%	-2.2%	98.0%	-1.7%	-1.5%	
UH Parma	0.4%		2.8%	4.6%	17.2%	1.3%	-9.9%	
UH Southwest General	2.3%	-7.4%	5.0%	-3.2%	10.5%	-8.8%	-2.8%	5.5%
UH St. John Medical Center	-11.2%		-9.6%	-1.4%	40.8%	-18.5%	3.9%	

UH Parma Psych unit closed in 2022, and UH Main is not reporting Psych volumes at this time.

UH restated Observation volumes in 2024 causing large volume swings

CCHS Lakewood FSED is reported here under CC Main Campus

MetroHealth Discharges, ED Visits, ED Admits & Observations include volume from Brecksville, Cleveland Hts & Parma where applicable

St. Vincent, UH Bedford, and UH Richmond no longer appear on the report, all three hospitals closed in 2022.

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

**RECOMMENDATION TO PRESIDENT AND CHIEF EXECUTIVE OFFICER
OF THE METROHEALTH SYSTEM FOR THE APPROVAL OF
RENEWAL OF LINE OF CREDIT**

Recommendation

The Executive Vice President, Chief Financial & System Services Officer of The MetroHealth System ("MetroHealth") recommends that the Board of Trustees ("Board") of MetroHealth approve the renewal of the line of credit having the terms set forth in **Attachment A**.

Background

The Board previously approved a line of credit under Resolution #19506. The Executive Vice President, Chief Financial & System Services Officer believes that it is in the best interest of the System to renew that line of credit having the terms set forth in **Attachment A**.

Approval of Renewal of Line of Credit

RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System ("MetroHealth") has been presented a recommendation to approve the renewal of the line of credit provided by KeyBank having the terms set forth in **Attachment A** (the "Line of Credit");

WHEREAS, the renewal of the Line of Credit will further the mission of MetroHealth and better provide for the health, safety, and welfare of the community MetroHealth serves; and

WHEREAS, the Finance Committee of the Board has reviewed the recommendation to renew the Line of Credit and now recommends its approval.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby approves the renewal of the Line of Credit, and any subsequent renewals thereof after the expiration of the then-current term, as more fully described in **Attachment A**, to be paid out of available funds and/or a future issuance of tax-exempt debt.

BE IT FURTHER RESOLVED, the President and Chief Executive Officer and the Executive Vice President, Chief Financial & System Services Officer, each individually and without the need for the other's signature, are hereby authorized to negotiate and execute agreements and other documents consistent with this resolution.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE:

October 2024

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**RECOMMENDATION TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER
OF THE METROHEALTH SYSTEM FOR ADDITIONAL CAPITAL EXPENDITURES
FOR CAPITAL IMPROVEMENTS TO THE
SYSTEM'S APEX PROJECT AND MAIN CAMPUS OUTPATIENT PAVILION**

Recommendation

The Executive Vice President, Chief Financial & System Services Officer and the Senior Vice President, Facilities, Construction and Campus Transformation recommend that the Board of Trustees ("Board") of The MetroHealth System ("MetroHealth") approve additional capital expenditures as more fully described in **Attachment A** hereto for capital improvements to the MetroHealth Apex Project and Outpatient Pavilion.

Background

The Board previously approved capital expenditures for the Apex Project in Resolutions 19477 and 19526.

Approval of Additional Capital Expenditures for
Capital Improvements to the
System's Apex Project and Main Campus Outpatient Pavilion

RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System ("MetroHealth") has been presented a recommendation for additional capital expenditures as more fully described in **Attachment A** for capital improvements to the MetroHealth Apex Project, costs for which were previously approved by the Board in Resolutions 19477 and 19526, and for capital improvements to the buildings on MetroHealth's main campus that currently comprise its Outpatient Pavilion ("Outpatient Pavilion").

WHEREAS, the additional capital expenditures as more fully described in **Attachment A** for capital improvements to the MetroHealth Apex Project and Outpatient Pavilion will further the mission of MetroHealth and better provide for the health, safety, and welfare of the community MetroHealth serves; and

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

NOW, THEREFORE, BE IT RESOLVED, the Board hereby approves the additional capital expenditures for the MetroHealth Apex Project and Outpatient Pavilion to be paid out of available cash, cash reserves, operating cash flow, and/or draws under MetroHealth's line of credit, in each case for which MetroHealth may be reimbursed by a future issuance of tax-exempt debt.

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

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE:

October 2024

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