



# April Briefing: Hennepin Healthcare System

# Hennepin Healthcare System Financial Dashboard

Year to Date: April 2026

As of: May 28, 2026



# Executive Summary

YTD April 2026

- Budget approved for 2026 included an operating margin of zero.
- The budget is spread monthly based upon seasonal volumes, length of stay, and similar drivers. The YTD April budget reflects an operating margin of (\$4.2M) compared to actual operating margin of (\$4.0) and 2025 losses of (\$13.9M).
- Volumes were unfavorable to plan and multiple factors negatively impacted Clinic visits, OR cases, discharges, and emergency services, which were unfavorable to budget 5.9%, 4.9%, 3.6%, and 1.1%, respectively. These volume variances are similarly unfavorable when compared to prior year. Influencing factors included;
  - Enforcement activities occurring in Minneapolis, which impeded or deterred access to care on campus by HHS patients
  - HHS capped hospital bed capacity at 390
  - HHS divested from several service lines; Integrative health, Sr. & extended care, Sleep services, Interventional pain, Weight management
- Cash was negative for a sustained period for the first time in January, which resulted in Hennepin County providing coverage to ensure payrolls and vendor payments were honored. The maximum assistance was needed during payroll periods. The support is repaid as subsequent cash receipts are received by HHS. The County support was not required in April.
- A primary driver for the sudden cash degradation is the bankruptcy of UCare in late 2025. UCare was HHS's largest payor and it ceased making payments in December when the State of Minnesota intervened in its operations. Care for UCare patients continued uninterrupted. Payments for 2026 services began in February. HHS received the initial distribution for 2025 services totaling approximately \$7.2M in April.
- Cost containment has offset some of the impact of reduced volumes. HHS implemented a wage and hiring freeze, among other measures. HHS had 255 FTEs YTD April 2026 vs 2025. Supplies are 7.6% lower than prior year, primarily driven by volumes.

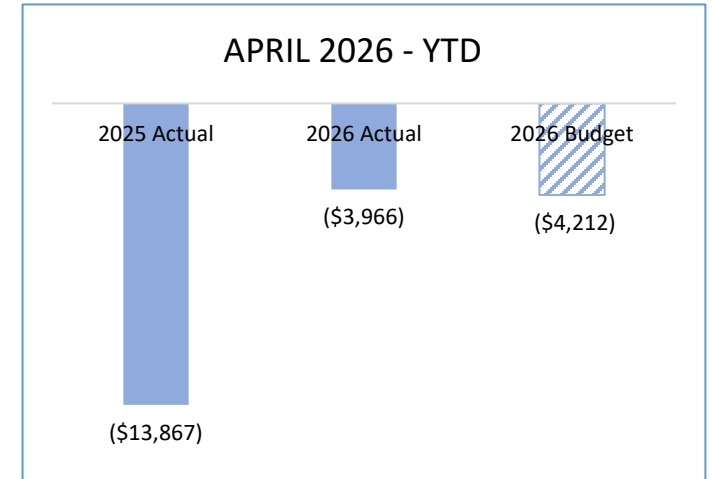
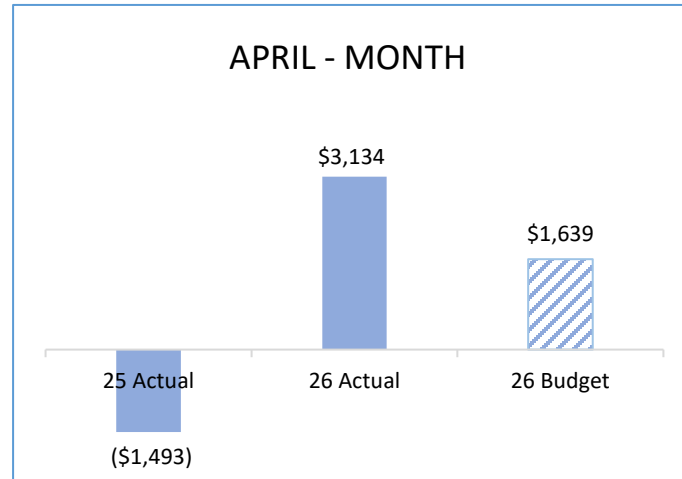
# Operating Income (Loss)

## Drivers of Variance to budget

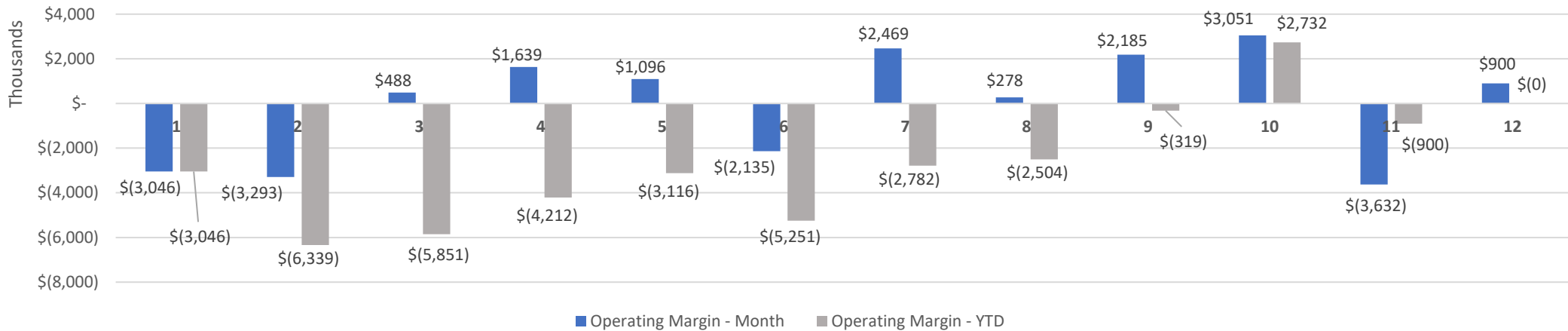
- Unfavorable volumes
  - Enforcement activities in Mpls
  - Beds capped at 390
  - Service line divestitures
  - Favorable staffing costs

## Month of April

- Clinic visits, Discharges, Provider wRVUs, OR cases
- FTEs 539 favorable to budget



## Budget Operating Margin



  Indicate **desired** direction for metric.

# HHS Financial Summary – YTD April

Variance to Budget Legend: At or Favorable, 0 to -3%, -3%+

## Key Volume Drivers

	2026 YTD Actual	2026 YTD Budget	2025 YTD Actual
Discharges	5,869 ↓	6,090	5,941
Patient Days	41,065 ↓	45,482	43,631
Average Length of Stay	7.00 ↑	7.47	7.34
Case Mix Index	1.87 ↑	1.92	1.87
Clinic visits	221,855 ↓	235,817	230,840
Provider wRVUs	819,360 ↔	833,881	829,188
Emergency services	53,955 ↔	54,544	53,691
Operating Room cases	3,679 ↓	3,870	3,814

### Headwinds

- ✓ Discharges, clinic visits, provider wRVUs, and OR case volumes are unfavorable to budget, and to prior year. Influenced by Mpls enforcement actions, capped beds, and service line reductions.
- ✓ Premium pay continues to be a challenge.
- ✓ Cash remains at critical levels with ongoing monitoring and oversight.

## Operating Financial Results

In Millions

	2026 YTD Actual	2026 YTD Budget	2025 YTD Actual
<b>Total Net Revenue</b>	<b>\$495.0 ↓</b>	<b>\$517.7</b>	<b>\$489.2</b>
Salaries, Wages & Benefits	\$333.5 ↑	\$344.6	\$338.6
Drugs and Medical Supplies	\$90.6 ↑	\$98.6	\$89.3
Depreciation and Interest	\$17.9 ↑	\$19.1	\$19.3
Others	\$56.9 ↑	\$59.6	\$55.8
<b>Total Expenses</b>	<b>\$498.9 ↑</b>	<b>\$521.9</b>	<b>\$503.0</b>
<b>Operating Income (Loss)</b>	<b>(\$3.9)</b>	<b>(\$4.2)</b>	<b>(\$13.8)</b>
Non-operating & Non-recurring	\$11.6	\$14.1	\$9.8
<b>Net Income (Loss)</b>	<b>\$7.7</b>	<b>\$9.9</b>	<b>(\$4.0)</b>

### Tailwinds

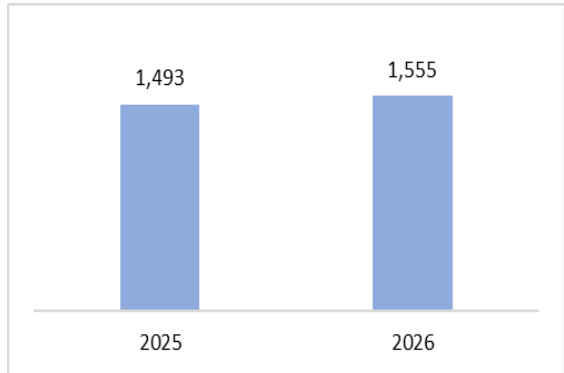
- ✓ The Average Length of Stay (ALOS) of 7.00 days is less than budget and prior year.
- ✓ Expenses are favorable to budget \$23M and \$4.1M favorable to prior year, driven by staffing costs, favorable FTEs, and drugs and supplies that relate to reduced volumes.
- ✓ Positive cash balances in April, HHS did not require County support.



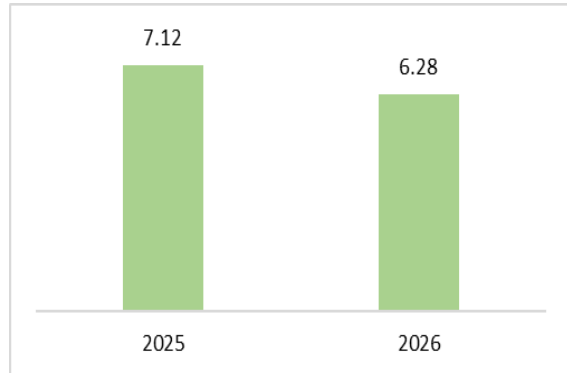
# Volume Statistics

Month of APRIL

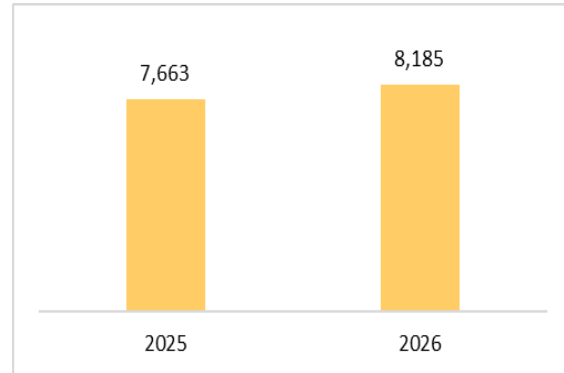
Discharges 



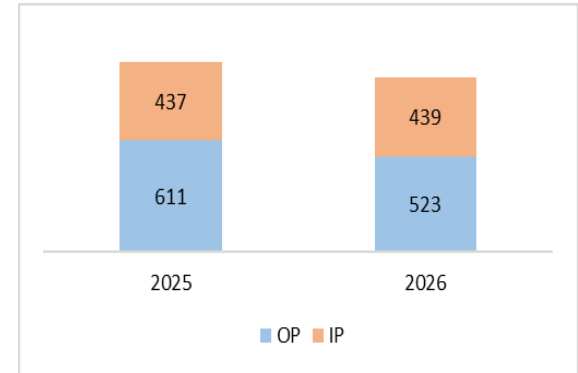
Avg Length of Stay 



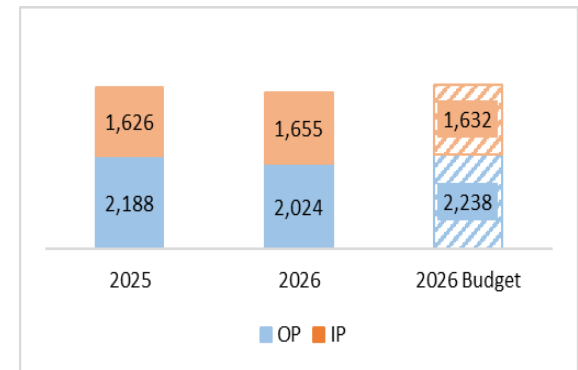
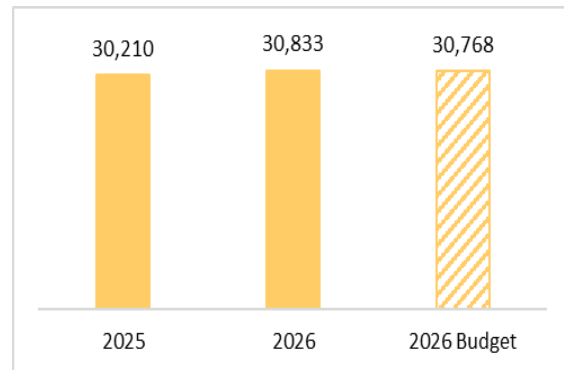
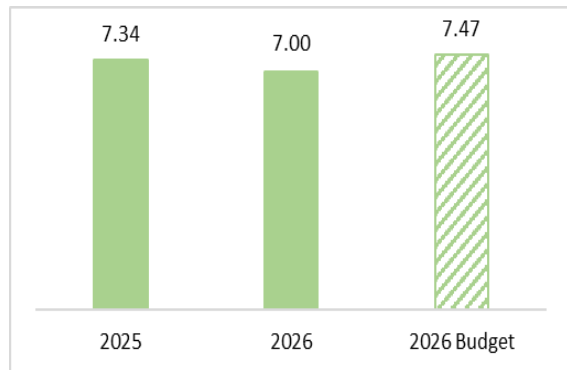
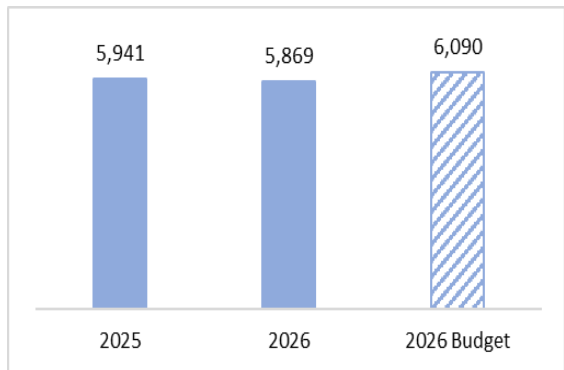
Emergency Dep. Visits 



Operating Room Cases 



YTD 2026



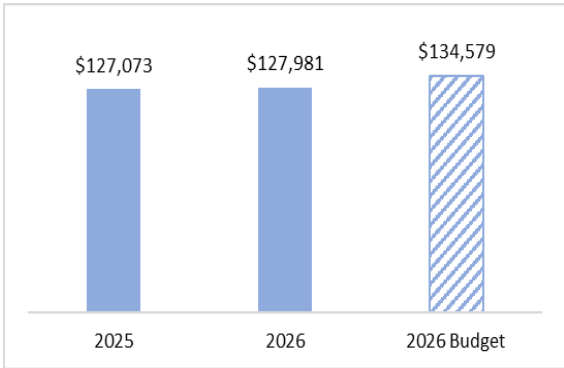
  Indicate **desired** direction for metric.

# Income Statement Statistics

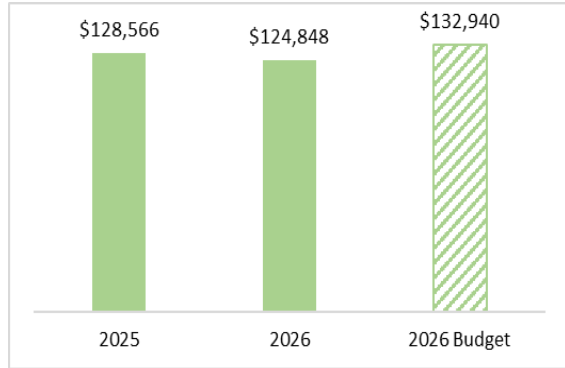
Month of APRIL

YTD 2026

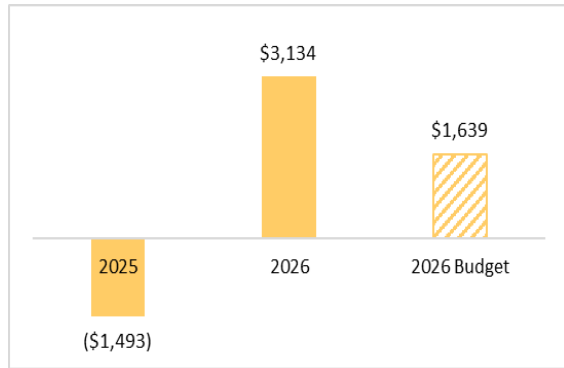
## Operating Revenues



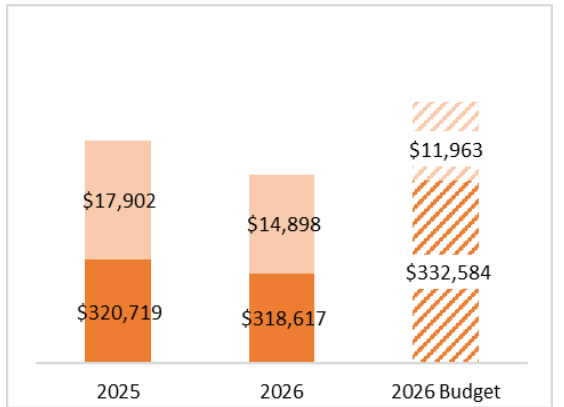
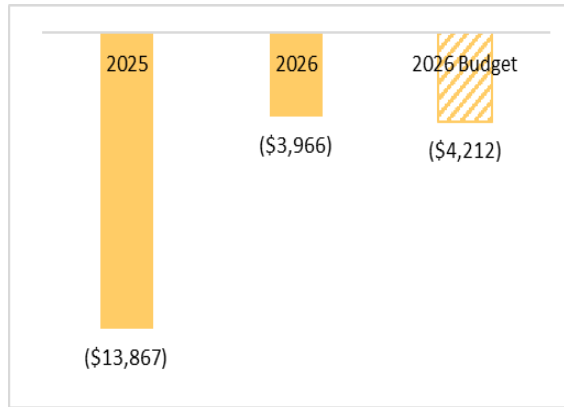
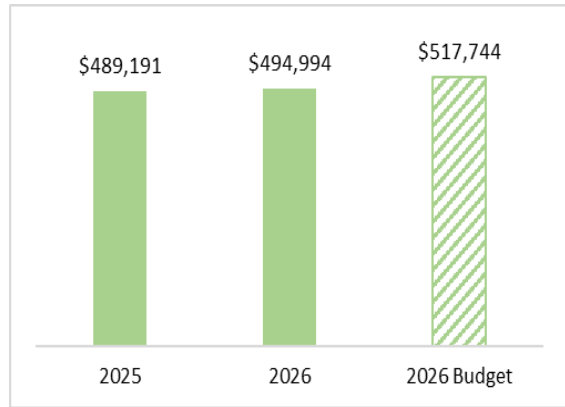
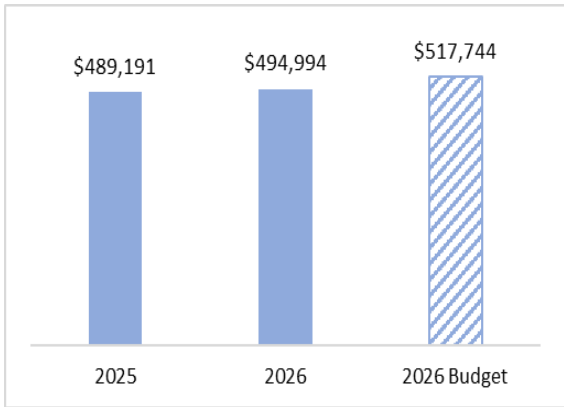
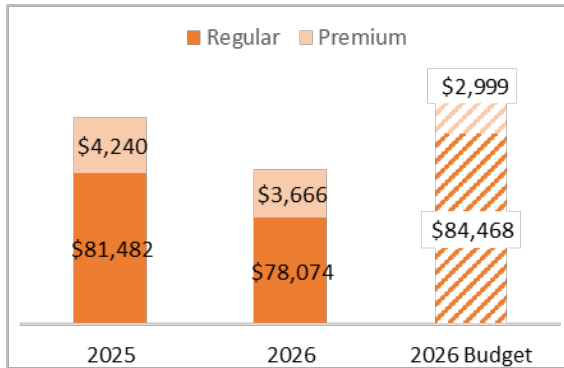
## Operating Expenses



## Operating Income



## Salary Expense

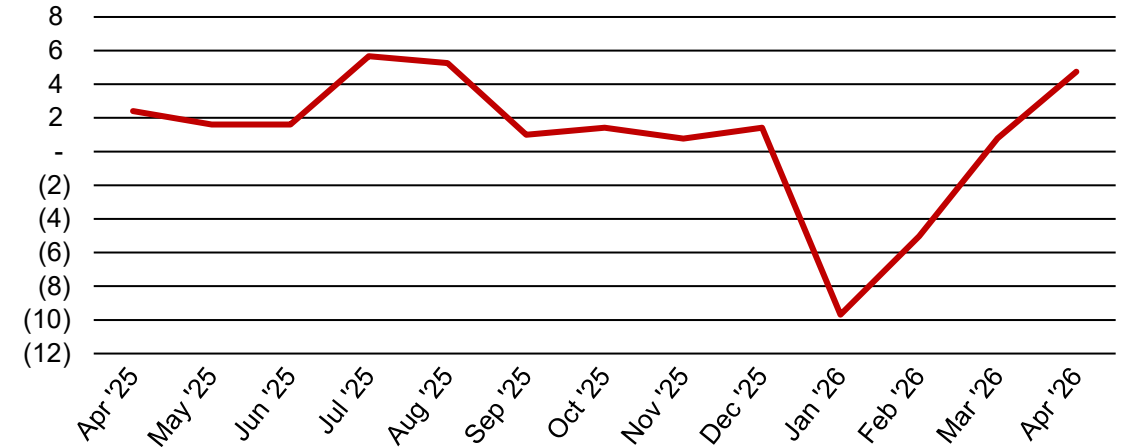


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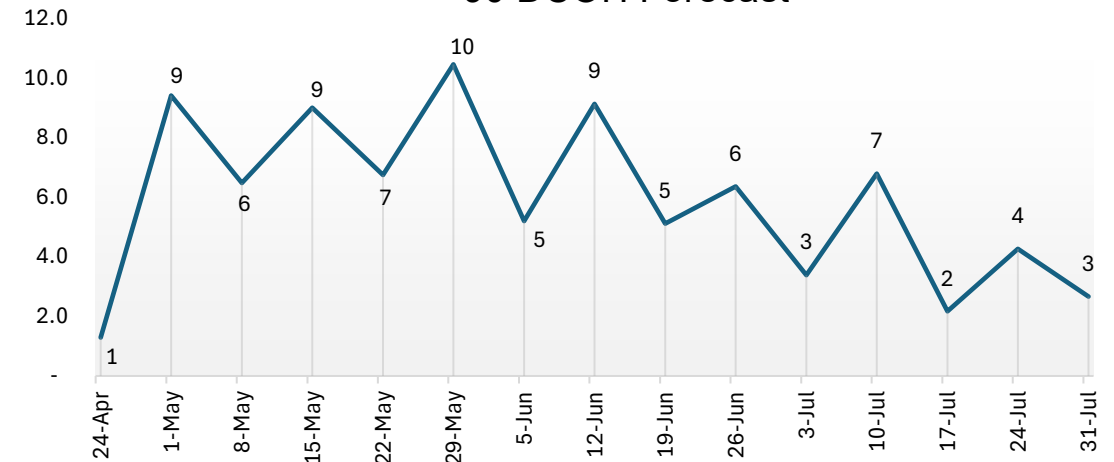
# Balance Sheet and Days Cash on Hand Trend

	<b>2026 April</b>	<b>2025 December</b>
Cash and Equivalents	\$ 18,891	\$ 6,239
Net Accounts Rec	123,480	146,733
Other Current Assets	160,122	89,091
<b>Total Current Assets</b>	<b>\$ 302,493</b>	<b>\$ 242,063</b>
Property, Plant, and Equipment, Net	454,712	460,062
Other Non Current Assets	85,143	85,246
<b>Total Assets</b>	<b>\$ 842,348</b>	<b>\$ 787,371</b>
Current Liabilities	\$ 293,296	\$ 243,211
Non Current Liabilities	388,650	391,435
CSC Loan	139,886	139,886
<b>Total Liabilities</b>	<b>\$ 821,832</b>	<b>\$ 774,532</b>
Net Assets	\$ 20,516	\$ 12,839
<b>Total Liabilities and Equity</b>	<b>\$ 842,348</b>	<b>\$ 787,371</b>
Days Cash on Hand	5	1
Days in A/R	52	56

## Days Cash on Hand (DCOH) Trend



## 90 DCOH Forecast



-90 DCOH forecast shows the bank balance on hand. It will be different from the HHS book balance.

# Days Cash on Hand Trend

