FY2027 Proposed Budget

Olympic Medical Center

Preliminary Budget for Review

Financial stabilization | disciplined execution | productivity management | liquidity protection

Financial schedules formatted to accompany the FY2027 Budget Narrative

Proposed Draft Budget

Executive Financial Summary

The FY2027 proposed budget projects a return to approximately break-even operations. Operating revenue increases to $300.4 million while operating expenses are held to $299.9 million, resulting in approximately $547,000 of operating income and $121,000 of net income.

Financial Overview

Account / Category	FY2025 Actual	FY2026 Budget	FY2027 Proposed
Operating Revenue	**288,479,696**	**289,778,486**	**300,444,787**
Operating Expenses	**303,862,252**	**296,648,524**	**299,897,370**
Operating Income	**(15,382,556)**	**(6,870,038)**	**547,418**
Net Income	**(16,762,627)**	**(7,484,494)**	**120,813**

Key message: FY2027 revenue growth is projected to exceed expense growth, but the resulting margin remains narrow and requires close monitoring throughout the year.

Proposed Draft Budget

Patient Revenue

Account / Category	FY2025 Actual	FY2026 Budget	FY2027 Proposed
Inpatient Revenue	133,188,776	139,919,080	146,847,732
Outpatient Revenue	391,141,489	399,104,689	401,448,996
Emergency Department Revenue	80,114,132	87,927,874	90,481,339
Home Health Revenue	7,721,394	7,158,478	7,953,030
Patient Revenue	**612,165,790**	**634,110,120**	**646,731,097**
Bad Debt - Revenue	(7,457,433)	(7,586,628)	(8,345,291)
Charity Write-Offs	(4,577,411)	(5,206,128)	(5,726,741)
Contractual Allowances	(326,820,828)	(345,608,886)	(346,324,503)
Revenue Deductions	**(338,855,672)**	**(358,401,642)**	**(360,396,534)**
Net Patient Revenue	**273,310,118**	**275,708,478**	**286,334,563**

Other Operating Revenue

Account / Category	FY2025 Actual	FY2026 Budget	FY2027 Proposed
M&O Tax Levy	11,874,766	11,881,262	11,940,425
Cafeteria Cash Sales	1,242,555	1,110,002	1,120,113
Building / Space Lease	132,140	131,773	129,058
Miscellaneous Revenue	338,783	359,729	375,451
Quality Program Incentive Revenue	457,730	218,691	220,000
Clallam County Other Tax Revenue	430,629	291,204	270,289
Other operating revenue accounts, net	693,775	77,347	254,888
Total Other Operating Revenue	**15,169,578**	**14,070,008**	**14,110,224**
Operating Revenue	**288,479,696**	**289,778,486**	**300,444,787**

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Labor and Employee Benefits

Account / Category	FY2025 Actual	FY2026 Budget	FY2027 Proposed
Physician Salaries	19,209,203	18,658,083	14,010,725
Mid-Level Provider Salaries	5,535,923	5,023,679	4,645,920
Union Salaries	74,033,488	79,538,075	83,514,979
Non-Union Salaries	40,136,213	28,900,496	30,056,516
Medical Director Salaries	830,375	698,132	698,132
Other Salary Accounts	0	10,815	0
Total Salaries and Wages	**139,745,203**	**132,829,280**	**133,215,277**
Fringe Benefits	31,886,101	31,956,342	32,371,312
Payroll Taxes	11,527,016	11,868,579	11,989,375
Total Labor-Related Expense	**183,158,320**	**176,654,201**	**177,575,964**

Other Operating Expenses and Results

Account / Category	FY2025 Actual	FY2026 Budget	FY2027 Proposed
Other Supplies	3,760,850	4,124,755	4,248,498
Medical Supplies	47,598,136	50,784,575	52,318,412
Repairs and Maintenance	6,474,574	6,646,034	6,827,521
Purchased Services	15,819,279	16,727,273	16,727,273
Professional Fees	17,453,832	14,270,574	15,000,000
Other Expenses	4,916,372	3,884,615	3,878,989
Insurance	3,074,495	3,228,489	3,413,258
Utilities	2,516,075	2,434,530	2,510,533
Taxes	1,688,229	1,717,394	1,754,205
Depreciation & Amortization	17,333,217	16,127,570	15,600,000
Lease Expenses	68,873	48,514	42,718
Total Operating Expenses	**303,862,252**	**296,648,524**	**299,897,370**
Net Operating Income	**(15,382,556)**	**(6,870,038)**	**547,418**
Non-Operating Revenue (Expense)	(1,380,071)	(614,456)	(426,604)
Net Income	**(16,762,627)**	**(7,484,494)**	**120,813**

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Budget Notes

- The FY2026 net income presented in the detailed schedule is $(7,484,494). The report notes separately identify a FY2026 budget amount of $(7,418,126), resulting in a budget variance of approximately $66,368 (exceeding budget).
- Amounts are rounded to the nearest dollar. Totals may vary slightly due to rounding.
- This financial schedule should be read together with the FY2027 Budget Narrative, which describes the supporting revenue, labor, productivity, benefit, supply, utility and capital assumptions.

OLYMPIC MEDICAL CENTER | FY2027 CAPITAL BUDGET

Category	Budget	% Total	Priority / Funding	Status
Infrastructure Capital	$2,500,000	50.0%	Emergent infrastructure needs	Proposed
Operational Capital	$2,500,000	50.0%	Essential equipment and operational needs	Proposed
Total Capital	$5,000,000	100.0%		

Proposed Funding Sources

Funding Source	Amount	% Total	Key Consideration
Rural Health Transformation Project	$2,000,000	40.0%	Subject to award and allowable use
Olympic Medical Center Foundation	$2,000,000	40.0%	Confirm commitment and timing
Operating Resources	$1,000,000	20.0%	Subject to liquidity performance
Total Funding	$5,000,000	100.0%	

Capital projects will be prioritized based on emergent need, organizational impact, grant eligibility, liquidity and confirmed external funding. Anticipated external funding remains provisional until commitments and allowable uses are confirmed.

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