



APPENDIX D: **NEW HOSPITAL FINANCIAL FEASIBILITY STUDY**



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November 23, 2015

Mr. Mark Bogen
Chief Financial Officer
South Nassau Communities Hospital
One Healthy Way
Oceanside, N.Y. 11572

Dear Mr. Bogen:

At your request, we have prepared a Pro-Forma Projection of a proposed “New Hospital” on the site of the former Long Beach Medical Center (LBMC). This property was purchased from the Bankruptcy Estate of LBMC, via a 363 Sale.

Following this acquisition, South Nassau Communities Hospital (SNCH) initially operated an Urgent Care Center in order to meet the most pressing needs of the Long Beach community. This was meant to be a temporary measure, with SNCH ultimately looking for the NYS Department of Health (DOH) to approve a Free Standing Emergency Room. While the licensure for this facility was a long and arduous process, SNCH believed that the upgraded licensure would better meet the needs of the Long Beach community, in that, local ambulances would be able to drop patients at the Free Standing Emergency Room. The former Urgent Care facility was not able to receive 911 ambulance drops, due to licensure restrictions.

The Free Standing Emergency Room became operational in August of 2015 and has been averaging approximately 26 visits per day.

Long Beach Medical Center closed in late October 2012, following the devastation of Super Storm Sandy. Immediately following the aftermath of Sandy, SNCH began working closely with the Long Beach community to meet the health needs of the service area, while it was recovering. In January of 2015, SNCH was awarded the rights to the FEMA claim, in the approximate amount of \$154 million.

While SNCH has worked closely with the Long Beach community to plan its ambulatory programmatic needs, a number of active community constituencies have continued to believe that a New Hospital should be built with the FEMA proceeds.

Putting aside all of the regulatory obstacles in obtaining approval for a New Hospital, the Project would need to be financially sustainable.

Accordingly, you requested that we assemble a Pro-Forma Financial Projection in order to assist in evaluating the sustainability of a second SNCH campus.

You also instructed us to work closely with Mr. Bruce Vladek, who SNCH has retained as a Project Consultant. Mr. Vladek has been working as a liaison with the Long Beach community in assessing its medical programmatic needs.

Executive Summary

At a high level, this is a summary of our findings and conclusions.

Structure

We constructed the Pro-Forma Financial Statements, assuming that the Long Beach campus, inclusive of the new Hospital, would be a Division of SNCH. Therefore, while we isolated the financial performance of the new Hospital for analytical purposes, it was assumed that SNCH would issue consolidated financial statements.

Volume

We utilized the services of New Solutions, Inc. (NSI) to assist in projecting volume for the New Hospital. Following discussions with SNCH, we instructed NSI to eliminate the following services from projection inpatient volume:

- Obstetrics
- Newborn Nursery
- Neo-Natal Intensive Care
- Pediatrics
- Cardiac Services (Surgery Caths and EPS Lab)
- Tertiary Services
- Quarternary Services

In addition, Dr. Adhi Sharma, SNCH's Chief Medical Officer (CMO) reviewed the remaining database and reduced it by another 644 cases, which fell in to DRGs that Dr. Sharma felt clinically uncomfortable assuming that these cases would be treated at a campus of this size and scope. We also removed cases that outmigrated to New York City institutions, or outside of Nassau County.

The remaining cases derived an ADC of 38-39 patients, including a projected ADC of 3 in the Intensive Care Unit.

NSI had also projected Outpatient Volume for the following services included in the New Hospital:

- Ambulatory Surgery
- Emergency Room
- Renal Dialysis
- Family Medicine Clinic
- Psychiatric Clinic
- Private Ambulatory Radiology

Capital Project

While the projected census for the New Hospital is just below 40, we would expect that this census would vary rather significantly on a day to day basis. We therefore, constructed a bed configuration that would consist of:

10	Critical Care Beds
<u>50</u>	Medical/Surgical Beds (two 25 bed units)
<u>60</u>	Total Beds

The New Hospital would also include the Outpatient Services, enumerated above.

We asked SNCH to assist in developing a very rough project cost for us and determined that the project size would be approximately \$98 million, even assuming that certain services like Dietary, Finance and Information Technology would be provided by SNCH. For example, we assumed that the New Hospital would not need a new kitchen, and would instead have patient meals prepared at SNCH and delivered to the Long Beach campus.

It was assumed that the Hospital would take one year to be approved and three years to build so that operations would not begin until January 1, 2020.

Finally it was assumed that the complete project would be financed with FEMA money, though it is clear that SNCH would need to front project expenses until it was reimbursed through the FEMA requisition process.

Rates

As the Long Beach campus this would function as a second campus of SNCH, we assumed that volume would be paid at SNCH rates. That said, as this campus would not be used as a GME training site, the GME add-on components of SNCH’s regulated governmental rates were deleted in order to project revenue.

Expenses

Clearly, this was the most challenging part of this Projection.

Very simply, we just don’t have much to work with from the standpoint of comparably sized, local hospitals.

We did utilize Cost Report information from two hospitals, who operate less than 100 staffed beds, in the downstate market.

That said, we utilized this information to inform the analysis, but ultimately created departmental pro-forma budgets, which were vetted by SNCH senior management, prior to arriving at our pro-forma expenses.

Of note, is the fact that while we were instructed not to ramp up occupancy, as it would have added yet another complexity, it is nonetheless clear that this campus would not achieve the projected occupancy on day one.

In fact, it is quite likely that SNCH would need to have most staff on board for a full month, or more, prior to the opening of the New Hospital, in order to train and orient staff.

This would clearly add to the Year 1 deficit and cash flow deficiency, while occupancy on the campus was ramping up.

Ongoing Capital Needs

We projected results for the first 5 years of operations (2020-2024). As it was assumed that this would be brand new construction and new equipment, the projection does not reflect a capital replacement cycle at all.

We would fully anticipate that, following Year 5, it is likely that the New Hospital would require \$5 - \$7 million in capital replacement acquisitions on an annual basis, for which SNCH would need to either utilize cash or increase its borrowing as the “New Hospital” campus would not be producing positive cash flow.

Conclusion

Based on what we believed to be, reasonable assumptions utilized, the “New Hospital” campus appears to generate significant negative margins, and cash deficits, which would absent significant outside funding (*i.e.* contributions) need to be funded by SNCH.

Attachments

We have included, as attachment to this report, the following:

1. Pro-Forma Projected Operating Statements (2020-2024)
2. Pro-Forma Projected Balance Sheets (2017-2024)
3. Detailed Assumptions

We appreciate the cooperation and availability of the South Nassau Communities Hospital staff in allowing us to complete this assignment in a very compressed timeframe.

Sincerely,

John Lavan

John Lavan
President and CEO

Long Beach Campus
Pro-Forma Projection
2017 – 2024

Project Objective:

We were asked to assess the financial feasibility of constructing a New Hospital built on the site of the former Long Beach Medical Center (LBMC).

The New Hospital would be a division, or second campus of South Nassau Communities Hospital (SNCH).

It was assumed that the New Hospital would be constructed and equipped by utilizing FEMA monies available as a consequence of “Super Storm Sandy” destroying the former LBMC.

Assuming these funds were available and that regulatory approvals could be obtained, our objective was to construct a multi-year projection to assess this financial sustainability of this Hospital

Long Beach Campus Project:

Timing

As previously indicated, we were instructed by SNCH Management and their advisor, Bruce Vladek, to pre-suppose that all necessary New York State and Federal approvals would be obtained to build this Hospital.

Accordingly, we were instructed to assume that it would take approximately one year for all of these approvals to be obtained. Assuming the approval process were to begin January 1, 2016, and transpired over a one year period, construction could begin in early 2017 and be completed by December 31, 2019.

Therefore, we constructed the following timeline:

	Date
File NYC Certificate of Need and Approach FEMA on Use of Proceeds	January 1, 2016
Obtain All State and Federal Approvals to Proceed	December 31 2016
Begin Construction	January 1, 2017
Complete Construction	December 31 2019
Open New Hospital Building	January 1, 2020

The above timeframe assumes a 3 year construction period.

Project Size

We worked with SNCH’s Facilities professionals and created the project size estimates below. Project size was based on estimates provided by SNCH’s Project Management advisors and not based on architectural drawings, engineering and site studies, etc., all of which would need to be done in order to obtain construction bids and a more accurate project size.

Based on these estimates, the Project was determined to including the following costs:

Building Construction (including the costs of meeting required flood standards)	\$73,441,600
Major Moveable Equipment	20,117,760
Architectural, Engineering, Site Preparation, CON and Other Fees and AMPO	5,029,440
Total Project Costs	\$98,588,800

It should also be noted that these costs were predicated on estimates on today’s dollars, inflated 4% annually, to the mid-point of construction, assumed to be June 30, 2018.

Sources and Uses:

Source:

FEMA Funding	\$98,588,800
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Uses:

Construction (Buildings & Fixtures)	73,441,600
Major Moveable Equipment	20,117,760
CON and Other Fees	5,029,440
Total	\$98,588,800

Project Demand

The Service area for this Hospital would be the Long Beach Peninsula, including Atlantic Beach and the Island Park area immediately north of Long Beach.

Projecting demand for a Hospital is a complicated process. Typically, this would involve assessing the primary and secondary service areas, population demographics, including the age and health characteristics of the local population and their current use rates for hospital services. We would also have extensive discussions and conduct surveys and interviews with the medical staff of the institution to assess their likely support for the project and, the institution, in general.

The problem here is that LBMC has been closed for just over 3 years. Physicians who practiced in the community have now, 3 years later, either left that community or have changed their primary hospital affiliations. It is, therefore, that much more difficult to assess how physicians will utilize the “New Hospital,” regardless of the assumption that it would operate as a division (second campus) of SNCH, albeit, not available until 2020.

In the context of the above, we utilized the services of New Solutions Incorporated (NSI) to assist us in assessing demand for a New Hospital. NSI has been working closely with SNCH and is quite familiar with the Long Beach service area.

Utilizing the zip codes in the service area described above, NSI projected patient days and discharges at 100% of current hospital use rates for people residing in these zip codes.

Based on discussions with SNCH, we then instructed NSI to eliminate discharges and patient days in the following areas:

- Obstetrics
- Pediatrics
- Newborn
- Neo-Natal Intensive Care
- Behavioral Health
- Tertiary Cases (*i.e.* Cardiac Surgery, Neurosurgery, etc.)
- Quarternary Cases (*i.e.* Transplants)

The remaining projected discharges and patient days included those that migrate out of the service area for their health care services. While we would normally use historical outmigration patterns to further reduce projected demand, we also recognize that the data utilized was for a period after the Hospital closed. All cases, technically, migrated off the Long Beach Peninsula. Even if we were to make adjustments for cases that went to SNCH, after LBMC closed, it is fair to say that the outmigration data was further skewed by residents of the service area migrating even further distances to get their healthcare after the LBMC closed.

We, therefore, decided to only exclude cases that migrated to Manhattan Hospitals. While this may be aggressive, we also realize that there would be a certain amount of in-migration, during the beach season, that is not accounted for in using zip code of origin, as the basis for inpatient activity. NSI also made modest use rate adjustments to certain DRGs going forward, as cases will likely to continue to move to outpatient delivery modes.

Finally, we met with the Chief Medical Officer (CMO) of SNCH, who reviewed the NSI database and identified certain DRGs that would, in all likelihood be directed to SNCH. Most of these were surgical cases that the CMO believed belonged in a full service hospital and that it would be impractical and financially imprudent to duplicate those services in a small hospital. Therefore, 644 additional cases were excluded from the remaining case volume in the NSI report.

We also excluded 50% of the Chest Pain and Syncope DRGs from Inpatient volume, but retained these as Observation Cases.

Based on the above, the following was determined:

- Inpatient Census for 2020 was calculated at 39 patients per day, declining slightly to 38 per day by the end of the projection period
- Included in the ADC noted above were 3 critical care patients, on average

Unfortunately, an ADC in this range is prone to a great deal of variability. This would be particularly true for LBMC, where there is also a seasonality factor that is likely to play into their census.

Accordingly, we determined that the best bed configuration would include:

50	General Medical Surgical Beds
10	Critical Care Beds
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60	Acute Care Beds
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Outpatient Services:

Based upon modeling previously done for SNCH in projecting activity for an Outpatient Pavilion, the following Outpatient Services were included in the New Hospital Project:

- Ambulatory Surgery
- Emergency Room
- Chronic Renal Dialysis
- Family Medicine Clinic
- Psychiatry Clinic
- Radiology Services

LBMC would also need to carry a small Observation unit (*i.e.* 2 Beds), consistent with characterizing 50% of the Chest Pain and Syncope DRGs as likely candidates for Observation.

Volume:

Inpatient Volume

Inpatient Volume was projected as follows:

	Planning and Construction Period					
	2016 - 2019	2020	2021	2022	2023	2024
Discharges		3,374	3,351	3,327	3,302	3,275
Patient Days		14,355	14,266	14,171	14,070	13,965

Based on our analysis of the NSI database, we project that Inpatient discharge volume by Financial Class would break down as follows:

Discharges	Planning and Construction Period					
	2016 - 2019	2020	2021	2022	2023	2024
Medicare		2,295	2,295	2,293	2,290	2,285
Medicaid		143	139	135	131	128
Medicare HMO		310	311	312	313	313
Comm/Mcd HMO/Other		544	527	510	494	478
Self-Pay		81	79	76	74	71
Grand Total		3,374	3,351	3,327	3,302	3,275

Patient Days						
Medicare		10,757	10,740	10,716	10,641	10,561
Medicaid		665	645	627	622	618
Medicare HMO		1,231	1,233	1,234	1,226	1,217
Comm/Mcd HMO/Other		1,481	1,433	1,386	1,376	1,366
Self-Pay		221	214	207	206	204
Grand Total		14,355	14,266	14,171	14,070	13,965

The NSI database only contained financial class designations for Medicare, Medicaid and All Other.

As the All Other Grouping included Patient Age, as a data element, we designated the >65 cases within that Financial Class as Medicare HMO. Self-Pay cases were estimated using LBMC's 2011 financial class breakdown. The residual discharges and patient days were included in the category, above, labeled Commercial, Medicaid HMO and Other.

Outpatient Volume

Volume for Outpatient cases were estimated, as follows:

Services	Planning and Construction Period					
	2016 - 2019	2020	2021	2022	2023	2024
Ambulatory Surgery		1,000	1,000	1,000	1,000	1,000
Emergency Room		10,360	10,749	11,141	11,619	12,194
Observation		112	111	110	109	108
Chronic Renal Dialysis		9,048	9,360	9,828	10,140	10,296
Family Medicine Clinic		8,000	8,000	8,160	8,160	8,500
Psychiatry Clinic		5,000	7,200	7,200	7,200	7,200
Radiology Services		4,015	4,519	5,036	5,175	5,904

Revenue:

Inpatient Revenue

As this New Hospital is modeled as a second campus of SNCH, it was assumed that volume would be paid a SNCH’s rates. That said, SNCH has advised us that the Long Beach campus would not carry on Graduate Medical Education (GME) Programs. So as not to dilute revenue for Teaching Add-On received by SNCH, we simply excluded the GME components of SNCH’S rate structure for Governmental Payors (*i.e.* Medicare, Medicaid, Medicare HMO and Medicaid HMO), from the rates, prior to calculating Long Beach campus revenue.

Conversely, as the Long Beach campus has a capital cost structure consistent with that of a new hospital, we did not dilute that by spreading it over all SNCH cases including the Long Beach campus. We instead isolated Long Beach capital costs to Long Beach volume for purposes of setting the capital pass through.

Finally, as the NSI database combined a number of Payors (*i.e.* Medicaid HMO, Commercial, Managed Care, etc.), we utilized a weighted average of SNCH’s adjusted revenue per case to determine a case mix neutral per case revenue amount to be applied to the Long Beach campus volumes at the projected CMI for that financial class grouping.

Outpatient Revenue

Outpatient Revenue was calculated utilizing SNCH’s regulated and negotiated rates for each of the services that were assumed to be resident at the New Hospital campus. As previously indicated, volumes were projected using NSI’s demand model.

Revenue Trends

As we used SNCH’s current adjusted rates as the base rate for determining revenue, we needed to trend those rates to the beginning of operations for the New Hospital campus (2020) and each projection thereafter. Payer trends are as follows:

Medicare	1% per annum
Medicaid	1% per annum
Medicare HMO	1% per annum
Commercial/Mcd HMO/Other	3% per annum

Indigent Care Pool Revenue

Indigent Care Pools have been established in New York State to assist in funding the cost of care to the Uninsured and Underinsured. Pools are funded through a combination of Payer Taxes and Gross Receipts Taxes to hospitals.

Pool distributions are made to Hospitals based on covering a percentage of their need in caring for the Uninsured. As we, at this point, have no idea on how this formula may impact SNCH. At present, the Hospital’s Need is determined based upon its Cost Report and funded two years prospectively.

We chose to use a proxy assumption for purposes of this projection, assuming that all Self-Pay encounters would be reimbursed at 40% of the Medicaid rate, paid two years prospectively. In other words, the first increase in SNCH revenue arising from the influence of its Long Beach campus on its Pool payments would be 2022, arising from Need derived in its 2020 cost report information. Accordingly, projected Pool Receipts were as follows:

	2022	2023	2024
Gross Receipts / Taxes	\$187,000	\$195,000	\$203,000

Though SNCH would need to wait two years, post opening, from deriving any increase in Pool revenue arising from its Long Beach campus, it would begin paying taxes into the Public Goods Pools, immediately upon having activity on the Long Beach campus.

Projected Payor taxes, attributable to Long Beach are as follows:

	2020	2021	2022	2023	2024
Pool Assessments	(\$497,000)	(\$504,000)	(\$509,000)	(\$515,000)	(\$521,000)

Physician Billing Revenue

Professional Fees were estimated at 50% of Physician compensation inclusive of Hospitalists, Intensivists, ER Physicians and Radiologists.

Other Operating Revenue

Other Operating Revenue consists of cafeteria receipts, vending machine, commissions, medical records abstracts, etc.

Other Operating Revenue was projected at \$100,000 per year for the first year of operation (2020) and was trended forward for inflation at 2% per year.

Expenses:

As we needed to staff and supply this “New Hospital” without any historical baseline data from which to work, we extracted staffing and supply information from a variety of sources, including from a hospital, in the New York marketplace, of similar size. Staffing and other expenses were vetted with Senior Management at SNCH, including the CMO.

Expense components were trended as follows:

Salaries

Baseline salary expenses were trended at 2% per annum through the projection period.

Fringe Benefits

Fringe Benefits were calculated at 24.2% using SNCH’s 2016 Budget. Fringe Benefits were maintained at this percentage of salaries through the projection period.

Supplies and Other Expenses

This expense category includes medical supplies, drugs, utilities, food, office supplies, professional fees and other non-wage related expenses. Supplies and other expenses were trended at 2.5% per annum through the projection period.

Insurance

This expense category includes professional liability insurance, property insurance, directors and officers liability insurance, etc. Base expenses were extrapolated from SNCH expenses, with adjustments to professional liability insurance made to reflect that the Long Beach campus will not be providing Obstetrical services, nor performing complex surgery.

We also adjusted the Property Insurance premium to reflect the New Hospital location.

Insurance expense was projected to increase 2% per annum through the projection period.

Depreciation

It was assumed that all Project Assets will be put into service when the New Hospital opens on January 1, 2020. The SNCH amortization policy is to expense a full year of depreciation in the year the asset is placed in service.

Useful lives for property, plant and equipment are as follows:

Buildings and Fixtures	40 years
Equipment	7 years

As the New Hospital will be outfitted with new equipment, as well, it is assumed that no replacement assets will be required during the projection period.

Expenses – Attachment A

A schedule of Year 2020 Salaries and Non-Salary Expenses is attached (Attachment A).

Balance Sheet:

While the New Hospital and its Long Beach Division activities will be consolidated into the SNCH Financial Statements, we have been asked to construct a Pro-Forma Balance Sheet, isolating only the Long Beach campus activities.

Projected Balance Sheet assumptions are as follows

Assets

Cash

Balances reflect the operating cash position of the New Hospital.

Accounts Receivable

Balances reflect patient and third party insurance receivables due the Hospital, at each year end. Accounts Receivable were assumed to equal 46 days of revenue during each projection year.

Inventories

Balances include medical supplies and drugs held as floor stock and operating room inventory. Inventory values were set at \$500,000 for 2020 and were assumed to increase 2% per year during each projection year.

Property, Plant and Equipment

It is assumed that New Hospital construction will begin on January 1, 2017 and be completed on December 31, 2019.

During the 3 year construction period, project assets will be capitalized and characterized “Construction-In-Progress.” While it is not clearly characterized in these projections, it is implicit that SNCH will advance project construction and equipment funds until the expenditures are reimbursed by FEMA.

It is assumed that the non-equipment portion of the project will be spent evenly over the 3 year construction period.

On January 1, 2020, it is assumed that the construction will be complete and the Construction-In-Progress account will be closed out to Property, Plant and Equipment. In addition, it is assumed that all project equipment will be acquired and placed into service on January 1, 2020.

Projected depreciation on project assets is as follows:

	\$ In Millions				
	2020	2021	2022	2023	2024
<u>Project Components:</u>					
Building and Fixtures	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Major Moveable Equipment	2.8	2.8	2.8	2.8	2.8
Total	\$4.8	\$4.8	\$4.8	\$4.8	\$4.8

Balances at each projection year-end reflect Property, Plant and Equipment, net of Accumulated Depreciation.

Liabilities

Accounts Payable and Accrued Expenses

Balances reflect trade payables and other liabilities. Assumed liabilities were set at 80 days of Supplies and Other Expenses in 2020 and trended 2% per annum over the remaining projection period.

Accrued Payroll and Benefits

Balances were assumed to be set at one week of salary and benefit expenses in 2020. Balance in this liability account is assumed to increase by 2% per annum during the projection period.

Accrued Vacation

Balances were assumed to be set at one week of salary and benefit expenses in 2020. Balance in this liability account is assumed to increase by 2% per annum during the projection period.

Fund Balance

Fund Balance for the New Hospital reflects Contributed Capital from FEMA proceeds to fund project expenses during the construction period, as well as contributed FEMA capital to acquire equipment for the New Hospital in 2020.

Thereafter, the net change in annual Fund Balance reflects the annual profit (loss) of the New Hospital in each projection year.

Long Beach Campus
Salaries and Non-Salaries Expenses
Year 2020

Department	\$ in Millions			
	LB Campus 2020			
	FTE(s)	Salaries	Non-Salaries	Total
Critical Care Unit	21.0	\$1,677,770		\$1,677,770
Medical/Surgical	95.5	6,915,105	476,847	7,391,952
Hospitalist (6/unit)	8.3	1,761,605		1,761,605
Intensivist (Critical Care Unit)	3.0	1,273,450	60,710	1,334,159
Admin/Nursing	5.5	365,166	16,510	381,675
Administration	3.0	335,071	337,977	673,048
Admitting/Registration	21.2	967,923		967,923
Ambulatory Surgery	4.3	449,292		449,292
Anesthesiology	-	-	551,906	551,906
Dietary	4.0	168,792	197,174	365,966
Electrocardiography	-	-	115,900	115,900
Electroencephalogra	0.5	38,877		38,877
Engineering / Plant Maintenance	16.7	1,112,886	1,013,968	2,126,854
Environmental Services	20.1	835,777	712,984	1,548,761
Human Resources	3.0	216,400		216,400
Laundry and Linen	1.0	42,022	282,233	324,255
Mail Processing Ctr	1.0	33,457		33,457
Materials Management	1.0	49,684	688,154	737,838
Medical Records	5.0	349,994		349,994
Nuclear Medicine	1.4	34,554	288,853	323,407
Operating Room / Rec Room	13.6	1,140,752	1,789,988	2,930,740
Patient Logistics	3.0	155,762		155,762
Pharmacy	10.4	891,127	1,580,752	2,471,879
Phlebotomy	5.1	255,991		255,991
Quality Management	1.0	142,150		142,150
Receiving / Store Room	2.5	96,607		96,607
Rehabilitation Medi	4.5	365,592	48,931	414,523
Respiratory Therapy	5.9	400,707	108,004	508,711
Security	1.0	88,326	535,201	623,528
Laboratory	47.0	2,386,989	1,853,263	4,240,251
ER / Observation Unit	39.7	2,414,452	3,236,300	5,650,753
Dialysis	23.9	1,424,540	1,412,644	2,837,184

\$ in Millions	
LBH 2020	

Department	FTE(s)	Salaries	Non-Salaries	Total
Family Practice	8.5	879,476	84,050	963,526
OPD Psychiatry	12.1	954,654	52,531	1,007,185
Finance	10.5	606,162	150,000	756,162
IT			1,697,112	1,697,112
Insurance			2,294,718	2,294,718
Depreciation			4,835,742	4,835,742
Total Salaries and Non-Salaries Expenses	437.1	30,869,999	25,036,702	55,906,701
Fringe Benefits @ 24.23%			7,479,801	7,479,801
Total		\$30,869,999	\$32,516,503	\$63,386,502

LONG BEACH HOSPITAL

Inpatient Statistics
For The Projection Years 2015-2024

Source file: NSI's MSDRG Detail-no NYC Hosp file 10/29/15

Row Labels	Avg Payer CMI	TOTAL IP DISCHARGES										
		NYS15	NYS16	NYS17	NYS18	NYS19	NYS20	NYS21	NYS22	NYS23	NYS24	
Medicare	1.511	2,289	2,276	2,284	2,290	2,293	2,295	2,295	2,293	2,290	2,285	
Medicaid	0.885	166	161	157	152	148	143	139	135	131	128	
Mcir HMO	1.390	304	303	306	308	309	310	311	312	313	313	
All Other Payers	1.253	635	617	598	579	561	544	527	510	494	478	
Self-Pay	1.253	95	92	89	87	84	81	79	76	74	71	
Grand Total	1.318	3,489	3,450	3,433	3,415	3,395	3,374	3,351	3,327	3,302	3,275	

13% from All Other based on LBMC 2011 ICR split

Row Labels	TOTAL PATIENT DAYS										
	NYS15	NYS16	NYS17	NYS18	NYS19	NYS20	NYS21	NYS22	NYS23	NYS24	
Medicare	10,815	10,742	10,759	10,767	10,766	10,757	10,740	10,716	10,641	10,561	
Medicaid	770	749	727	706	685	665	645	627	622	618	
Mcir HMO	1,216	1,211	1,218	1,224	1,228	1,231	1,233	1,234	1,236	1,237	
All Other Payers	1,741	1,690	1,635	1,582	1,530	1,481	1,433	1,386	1,376	1,366	
Self-Pay	260	252	244	236	229	221	214	207	206	204	
Grand Total	14,802	14,645	14,584	14,515	14,438	14,355	14,266	14,171	14,070	13,965	

13% from All Other based on LBMC 2011 ICR split

Row Labels	ALOS										
	NYS15	NYS16	NYS17	NYS18	NYS19	NYS20	NYS21	NYS22	NYS23	NYS24	
Medicare	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.6	4.6	
Medicaid	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.7	4.8	
Mcir HMO	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.9	3.9	
All Other Payers	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.8	2.9	
Self-Pay	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.8	2.9	
Grand Total	4.2	4.2	4.2	4.3							

Row Labels	OUTPATIENT DAYS										
	NYS15	NYS16	NYS17	NYS18	NYS19	NYS20	NYS21	NYS22	NYS23	NYS24	
Medicare	766	759	756	753	749	745	741	737	732	727	
Medicaid	11	11	10	10	10	10	10	10	10	10	
Mcir HMO	35	34	34	34	34	34	34	33	33	33	
All Other Payers	115	114	113	112	111	111	110	109	108	107	
Self-Pay	15	15	15	15	14	14	14	14	14	14	
Grand Total	941	932	928	924	920	915	909	903	897	891	

Chest Pain-Syncope	117	115	115	114	113	112	111	110	109	108
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Row Labels	WEIGHTED CMI										
	NYS15	NYS16	NYS17	NYS18	NYS19	NYS20	NYS21	NYS22	NYS23	NYS24	
Medicare	2,903.7	2,887.7	2,897.8	2,905.2	2,910.1	2,912.5	2,912.6	2,910.5	2,906.3	2,902.2	
Medicaid	134.9	131.3	127.5	123.9	120.3	116.9	113.5	110.3	107.1	104.0	
Mcir HMO	346.0	345.1	347.7	349.9	351.8	353.2	354.4	355.2	355.7	355.9	
All Other Payers	721.9	701.5	679.8	658.7	638.2	618.4	599.1	580.5	562.4	544.9	
Grand Total	4,106.4	4,065.5	4,052.8	4,037.7	4,020.3	4,000.9	3,979.6	3,956.4	3,931.5	3,905.0	

Row Labels	AVG CMI										
	NYS15	NYS16	NYS17	NYS18	NYS19	NYS20	NYS21	NYS22	NYS23	NYS24	
Medicare	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	
Medicaid	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.82	0.82	0.82	
Mcir HMO	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	
All Other Payers	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	
Grand Total	1.18	1.18	1.18	1.18	1.18	1.19	1.19	1.19	1.19	1.19	

	2012 LB CDR	2011 LB CDR
MEDICARE	1,213	1,213
MEDICAID	168	238
NON PROFIT INDEMNITY INSURANCE	116	197
COMMERCIAL INDEMNITY INSURANCE	7 *	27 *
HMO - MEDICARE	236	178
HMO/PHSP MEDICAID	91 *	117 *
HMO/PHSP OTHER	124 *	164 *
SELF INSURED		
WORKERS COMPENSATION	2 *	4 *
NO FAULT	1 *	3 *
UNINSURED/SELF PAY	41 *	49 *
GOVERNMENT		
FREE (CHARITY, HILL BURTON)	1 *	15 *
COURTESY		
	2,000	

**LONG BEACH - NEW HOSPITAL
CAPITAL PROJECTION
DEPRECIATION AND CWIP CALCULATION**

Project Components:

	Uses
Construction (Bldgs & Fixtures)	73,441,600
Equipment	20,117,760
Soft Costs, Architectural, Engineering, Psych Prep, CON Fees, etc.	5,029,440
Total	98,588,800

CWIP		
2017	2018	2019
24,480,533	48,961,067	73,441,600
1,676,480	3,352,960	5,029,440
26,157,013	52,314,027	78,471,040

Project Components:

Construction (Bldgs & Fixtures) - 40 yrs
Equipment - 7 yrs
Soft Costs, Architectural, Engineering, Psych Prep, CON Fees, etc. - 40 yrs
Total

2020	2021	2022	2023	2024
\$1,836,040	\$1,836,040	\$1,836,040	\$1,836,040	\$1,836,040
2,873,966	2,873,966	2,873,966	2,873,966	2,873,966
125,736	125,736	125,736	125,736	125,736
\$4,835,742	\$4,835,742	\$4,835,742	\$4,835,742	\$4,835,742

BUILDINGS AND FIXTURES
EQUIPMENT
TOTAL DEPRECIATION

1,961,776	1,961,776	1,961,776	1,961,776	1,961,776
2,873,966	2,873,966	2,873,966	2,873,966	2,873,966
\$4,835,742	\$4,835,742	\$4,835,742	\$4,835,742	\$4,835,742

LONG BEACH HOSPITAL
SALARY EXPENSES DETAIL
FOR THE PROJECTION YEARS 2020 - 2024

Dept	Job Title	2016 Expenses			2020 Expenses		Trends				
		FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses	2016	2017	2018	2019	2020
Critical Care Unit(10 beds/ADC=3):											
	Nurse Mgr	1.0	130,000	130,000							
	Asst Nurse Mgr	1.0	100,000	100,000							
	RNs	11.0	90,000	990,000							
	PCTs	6.0	41,000	246,000							
	Unit Clerk	1.0	39,000	39,000							
	Monitor Tech	1.0	45,000	45,000							
Critical Care Unit - Total		21.0		1,550,000	21.0	1,677,770	2%	2%	2%	2%	2%
Med/Surg (50 beds)*											
* Bed Ratio 1:6; Staffed @ 100%											
	Nurse Manager	2.0	125,000	250,000							
	Ass't Nurse Manager	4.0	88,900	355,600							
	RN	47.4	86,200	4,082,432							
	PCT	29.9	40,638	1,214,263							
	Nurse Aide	4.0	38,400	153,600							
	Unit Clerk	6.2	38,736	241,713							
	Monitor Tech	2.0	45,440	90,880							
Med/Surg - Total		95.5		6,388,488	95.5	6,915,105	2%	2%	2%	2%	2%
Other Staff											
	Hospitalists	8.3	200,000	1,660,000	8.3	1,761,605	2%	2%	2%	2%	
	Intensivist (Critical Care Unit)	3.0	400,000	1,200,000	3.0	1,273,450	2%	2%	2%	2%	

Dept	Job Title	2015 Expenses			2020 Expenses		Trends				
		FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses	2016	2017	2018	2019	2020
Staffing Based on a Comparable Hospital Size - unless noted:											
Admin/Nursing	Administrative Coordinator PD	0.5		30,912							
	Clerk/Receptionist	1.0		38,414							
	Director Of Nursing	1.0		140,000							
	Executive Secretary, Sr. V.P.	1.0		53,011							
	Medical Secretary	1.0		40,205							
	Nurse Educator	1.0		28,200							
Admin/Nursing - Total		5.5		330,742	5.5	365,166	2%	2%	2%	2%	2%
Administration (see below):											
Admitting/Registration	Cashier	1.0		33,352							
	Financial Counselor	1.0		38,060							
	Medicaid Interviewer	3.0		125,800							
	Medical Interviewer	1.0		41,837							
	Patient Access Rep	9.4		377,142							
	Patient Access Representative	4.8		192,987							
	Patient Access Supervisor	1.0		67,500							
Admitting/RegistrationTotal		21.2		876,677	21.2	967,923	2%	2%	2%	2%	2%
Ambulatory Surgery	RN	3.0		338,615							
	RN / PD	0.1		6,318							
	RN Per Diem	0.3		28,765							
	Unit Clerk	1.0		33,240							
Ambulatory Surgery Total		4.3		406,938	4.3	449,292	2%	2%	2%	2%	2%
Anesthesiology											
<i>staffing from Dr. Sharma 11/23/15 call with JL delete salaries; add OTPS</i>											
Anesthesiology Total							2%	2%	2%	2%	2%
Case Management/Social Work	Case Management	2.0		160,000							
	Social Worker	4.5		270,000							
Case Management/Social Work Total		6.5		430,000	6.5	474,755	2%	2%	2%	2%	2%
Communications	Telephone Operator	2.5		98,000							

LONG BEACH HOSPITAL
SALARY EXPENSES DETAIL
FOR THE PROJECTION YEARS 2020 - 2024

Dept	Job Title	FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses	2016	2017	2018	2019	2020
<i>staffing from A. Balko 11/23/15 call w/ JL</i>											
Communications - Total				98,000	2.5	108,200	2%	2%	2%	2%	2%
Dietary	Dietary Worker	4.0		152,880							
<i>staffing from W. Ulrich 11/20/15 email</i>											
DietaryTotal				152,880	4.0	168,792	2%	2%	2%	2%	2%
<i>Electrocardiography</i>											
<i>staffing from Dr. Sharma 11/23/15 call with JL delete salaries; add OTPS</i>											
Electrocardiography Total							2%	2%	2%	2%	2%
Electroencephalogra	Eeg Technician	0.5		35,212							
Electroencephalogra Total				35,212	0.5	38,877	2%	2%	2%	2%	2%
<i>Engineering</i>											
	Chief Engineer	1.0		80,000							
	Maint Mech A	2.0		132,221							
	Maint Mech B	1.0		53,858							
	Maintenance Manager	1.0		90,000							
	Maintenance Mechanic A	3.0		197,763							
	Secretary	1.0		35,198							
	Station. Eng / PD	0.9		29,976							
	Stationary Eng	3.0		247,017							
	Stationary Engineer	2.0		133,247							
	Adj for comp hospital size sq ft	(4.1)		(277,955)							
	Plant Maintenance Staff	6.0		286,650							
<i>staffing from W. Ulrich 11/20/15 email</i>											
Engineering - Total				1,007,975	16.7	1,112,886	2%	2%	2%	2%	2%
<i>Environmental Servi</i>											
	Environmental Aide	1.0		29,824							
	Housekpng Wkr	21.8		771,020							
	Lead Housekpng Wkr	1.0		61,414							
	Secretary	1.0		40,376							
	Site Manager	1.0		60,000							
	Supervisor	1.0		50,000							
	Waxer/Stripper	1.0		36,053							
	Adj for comp hospital size sq ft	(7.7)		(291,698)							
Environmental Servi Total				756,989	20.1	835,777	2%	2%	2%	2%	2%
<i>Human Resources</i>											
	Generalist	2.0		156,800							
	Clerk	1.0		39,200							
<i>staffing from A. Balko 11/23/15 call w/ JL</i>											
Human Resources Total				196,000	3.0	216,400	2%	2%	2%	2%	2%
<i>Laundry</i>											
	Laundry Wkr	1.0		38,060							
Laundry - Total				38,060	1.0	42,022	2%	2%	2%	2%	2%
<i>Mail Processing Ctr</i>											
	Mailroom Clerk	1.0		30,303							
<i>staffing from A. Balko 11/20/15 email</i>											
Mail Processing Ctr Total				30,303	1.0	33,457	2%	2%	2%	2%	2%
<i>Materials Management</i>											
	Buyer	1.0		45,000							
<i>staffing from A. Balko 11/20/15 email</i>											
Materials Management Total				45,000	1.0	49,684	2%	2%	2%	2%	2%
<i>Medical Records</i>											
	Medical Records Coders	2.0		120,000							
	Medical Records Tech	1.0		37,000							
	CDIP Specialist	1.0		85,000							
	Coding Supervisor	1.0		75,000							
Medical Records Total				317,000	5.0	349,994	2%	2%	2%	2%	2%
<i>Nuclear Medicine -</i>											
	Lead Rad Technologist	1.0		21,987							
	Technologist	0.4		9,310							
Nuclear Medicine - Total				31,297	1.4	34,554	2%	2%	2%	2%	2%
<i>Occupational Health</i>											
	Clerk	1.0		43,469							
	Occupational Health Coord	1.0		84,616							
Occupational Health Total				128,085	2.0	141,416	2%	2%	2%	2%	2%
<i>OR - Operating Room</i>											
	AANC	1.0		149,507							
	ANC	1.0		48,654							
	Certified O.R. Technologist	1.0		9,455							
	Medical Secretary	1.0		42,582							
	Nursing Attendant	2.0		82,738							
	Operative Service Technician	1.0		51,249							
	Or Inventory Clerk	0.6		27,647							
	Orthopedic P.A.	1.0		75,210							
	R.N.	1.0		92,698							

LONG BEACH HOSPITAL
SALARY EXPENSES DETAIL
FOR THE PROJECTION YEARS 2020 - 2024

Dept	Job Title	FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses	2016	2017	2018	2019	2020
	RN	3.0		425,334							
	RN Per Diem	0.0		3,355							
	Surgical Technologist	1.0		24,783							
OR - Operating Room Total		13.6		1,033,214	13.6	1,140,752	2%	2%	2%	2%	2%
Patient Logistics -	Transporter	3.0		141,078							
Patient Logistics - Total		3.0		141,078	3.0	155,762	2%	2%	2%	2%	2%
Pharmacy	Inventory Clk / PD	1.0		30,229							
	Pharm Qual Con	1.0		43,914							
	Pharmacist	3.8		335,540							
	Pharmacist / PD	2.2		198,024							
	Pharmacy Tech	1.4		77,725							
	Supervisor	1.0		121,689							
Pharmacy - Total		10.4		807,121	10.4	891,127	2%	2%	2%	2%	2%
Phlebotomy	Phlebotomist	5.1		231,859							
Phlebotomy - Total		5.1		231,859	5.1	255,991	2%	2%	2%	2%	2%
Quality Management	Director Quality Mgmt	1.0		128,750							
Quality Management Total		1.0		128,750	1.0	142,150	2%	2%	2%	2%	2%
Rehabilitation Medi	Clerk Typist	1.0		32,670							
	Lead Physical Therapist	0.5		66,310							
	Physical Therapist	2.0		164,378							
	Staff Physical Therapist	1.0		67,771							
Rehabilitation Medi Total		4.5		331,128	4.5	365,592	2%	2%	2%	2%	2%
Receiving/Storerroom	Receiving/Store Room Clerk	2.5		87,500							
<i>staffing from A. Balko 11/20/15 email</i>											
Receiving/Storerroom Total		2.5		87,500	2.5	96,607	2%	2%	2%	2%	2%
Respiratory Therapy	Per Diem Reg Resp Thrpst	0.2		15,626							
	Reg. Resp Therapist	1.0		62,891							
	Reg. Respiratory Therapist	0.2		13,427							
	Resp Thera / PD	0.5		31,090							
	Respiratory Therapist	4.0		239,899							
Respiratory Therapy Total		5.9		362,932	5.9	400,707	2%	2%	2%	2%	2%

from OPD Pavilion project - adjusted:

Dept	Job Title	2018 Expenses			2020 Expenses		2016	2017	2018	2019	2020
		FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses					
Laboratory	Pathologist	1.0		212,242			2%	2%	2%	2%	2%
	Phlebotomists	9.0	44,064	396,577							
	Technicians	28.0	44,064	1,233,796							
	Supervisor	3.0	84,708	254,125							
	Lab Clerk	3.0	33,956	101,867							
	Lab Courier	3.0	31,898	95,693							
Laboratory - Total		47.0		2,294,299	47.0	2,386,989	2%	2%	2%	2%	2%
Radiology	Clerical	2.0	32,999	65,998							
	CT Technologist	6.0	63,493	380,959							
	CT Technologist Per Diem	1.2	63,493	73,089							
	X-Ray Tech	7.0	56,153	393,068							
	X-Ray Tech per Diem	1.2	56,153	64,639							
	MRI tech	2.5	63,493	158,733							
	Ultra Sound Tech	2.0	63,493	126,986							
Radiology - Total		21.8		1,263,473	21.8	1,314,517	2%	2%	2%	2%	2%
ER / Observation Unit	Registered Nurse	20.2	70,200	1,415,458							
	Patient Care Tech	8.7	35,100	304,651							
	Unit Clerk	3.7	33,950	126,933							
	Coder	1.2	45,568	52,454							
	Observation RNs	6.0	70,200	421,200							
ER - Total		39.7		2,320,696	39.7	2,414,452	2%	2%	2%	2%	2%
Dialysis	RN Clinical Coordinator	1.0	108,231	108,231							
	FT RN	6.4	72,558	464,371							
	FT PCT	4.0	43,867	175,468							
	Per Diem RN	2.0	87,750	175,500							
	Per Diem PCT	2.0	45,123	90,246							
	EVS	2.0	33,400	66,800							

LONG BEACH HOSPITAL
SALARY EXPENSES DETAIL
FOR THE PROJECTION YEARS 2020 - 2024

Dept	Job Title	FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses	2016	2017	2018	2019	2020
	Unit clerk	1.5	36,034	54,051							
	Social Work (SW)	1.0	61,068	61,068							
	Per Diem SW to cover vacation	1.0	61,068	61,068							
	Registered Dietician	1.0	32,734	32,734							
	Per Diem RD to cover vacation	1.0	32,734	32,734							
	Hemodialysis Lead Tech	1.0	46,952	46,952							
Dialysis - Total		23.9		1,369,224	23.9	1,424,540	2%	2%	2%	2%	2%
Family Practice	Physician	2.0	200,000	400,000							
	Nurse Practitioner	1.0	125,000	125,000							
	Registered Nurse	2.5	74,408	186,021							
	Registrars	2.0	37,657	75,313							
	Office Manager	1.0	58,991	58,991							
Family Practice - Total		8.5		845,325	8.5	879,476	2%	2%	2%	2%	2%
OPD Psychiatry	Psychiatrist	1.7	202,867	344,875							
	Clerical	3.5	38,510	134,786							
	Registrars/Receptionist	1.7	35,018	59,531							
	Social Worker	5.2	72,768	378,391							
OPD Psychiatry - Total		12.1		917,583	12.1	954,654	2%	2%	2%	2%	2%

Dept	Job Title	2016 Expenses			2020 Expenses		2016	2017	2018	2019	2020
		FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses					
<i>from A. Balko 11/18/15 via phone to JL</i>											
Finance:											
General Accounting	Asst. Director of Finance	1.0		\$150,000							
	Senior Accountant	1.0		80,000							
Total General Accounting		2.0		230,000							
Payroll:	Payroll Clerk	1.0		40,000							
Total Payroll		1.0		40,000							
Accounts Payable:	AP Clerk	1.0		35,000							
Total Accounts Payable		1.0		35,000							
Patient Accounts	Account Reps (@ \$37.5K/fte)	5.0		187,500							
	Cashiers (@ \$45K/fte)	1.5		67,500							
Total - Patient Accounts		6.5		255,000							
Total Finance / Patient Accounting		10.5		560,000	10.5	606,162	2%	2%	2%	2%	2%

<i>from A. Balko 11/18/15 via phone to JL</i>											
Administration	AVP	1.0		197,713							
	Director	1.0		36,842							
	Secretary	1.0		75,000							
Administration - Total		3.0		309,554	3.0	335,071	2%	2%	2%	2%	2%

Dept	Job Title	2015 Expenses			2020 Expenses		2016	2017	2018	2019	2020
		FTE(s)	Avg Sal/FTE	Total Expenses	FTE(s)	Total Expenses					
<i>per W. Ulrich email 11/17/15:</i>											
Security	Security Supervisor	1.0		80,000							
Security - Total		1.0		80,000	1.0	88,326	2%	2%	2%	2%	2%
TOTAL SALARIES					437.1	30,869,999					

**LONG BEACH HOSPITAL
SALARY EXPENSES
FOR THE PROJECTION YEARS 2020 - 2024**

Department	2020		2021	2022	2023	2024	Trends			
	FTE(s)	Salaries	Salaries	Salaries	Salaries	Salaries	2021	2022	2023	2024
Critical Care Unit	21.0	1,677,770	1,711,325	1,745,552	1,780,463	1,816,072	2%	2%	2%	2%
Medical/Surgical	95.5	6,915,105	7,053,407	7,194,475	7,338,365	7,485,132	2%	2%	2%	2%
Hospitalist (6/unit)	8.3	1,761,605	1,796,837	1,832,774	1,869,430	1,906,818	2%	2%	2%	2%
Intensivist (Critical Care Unit)	3.0	1,273,450	1,298,919	1,324,897	1,351,395	1,378,423	2%	2%	2%	2%
Admin/Nursing	5.5	365,166	372,469	379,919	387,517	395,267	2%	2%	2%	2%
Administration	3.0	335,071	341,773	348,608	355,581	362,692	2%	2%	2%	2%
Admitting/Registration	21.2	967,923	987,281	1,007,027	1,027,167	1,047,711	2%	2%	2%	2%
Ambulatory Surgery	4.3	449,292	458,278	467,443	476,792	486,328	2%	2%	2%	2%
Anesthesiology	-	-	-	-	-	-	2%	2%	2%	2%
Cafeteria										
Case Management / Social Work	6.5	474,755	484,250	493,935	503,814	513,890	2%	2%	2%	2%
Communications	2.5	108,200	110,364	112,571	114,823	117,119	2%	2%	2%	2%
Dietary	4.0	168,792	172,168	175,611	179,123	182,706	2%	2%	2%	2%
Electrocardiography	-	-	-	-	-	-	2%	2%	2%	2%
Electroencephalogra	0.5	38,877	39,655	40,448	41,257	42,082	2%	2%	2%	2%
Engineering	16.7	1,112,886	1,135,144	1,157,847	1,181,004	1,204,624	2%	2%	2%	2%
Environmental Servi	20.1	835,777	852,492	869,542	886,933	904,672	2%	2%	2%	2%
Human Resources	3.0	216,400	220,728	225,142	229,645	234,238	2%	2%	2%	2%
Laundry	1.0	42,022	42,862	43,720	44,594	45,486	2%	2%	2%	2%
Mail Processing Ctr	1.0	33,457	34,126	34,809	35,505	36,215	2%	2%	2%	2%
Materials Management	1.0	49,684	50,677	51,691	52,725	53,779	2%	2%	2%	2%
Medical Records	5.0	349,994	356,993	364,133	371,416	378,844	2%	2%	2%	2%
Medical Systems Eng							2%	2%	2%	2%
Nuclear Medicine -	1.4	34,554	35,245	35,950	36,669	37,403	2%	2%	2%	2%
Occupational Health	2.0	141,416	144,244	147,129	150,072	153,073	2%	2%	2%	2%
OR - Operating Room	13.6	1,140,752	1,163,567	1,186,838	1,210,575	1,234,786	2%	2%	2%	2%
Patient Logistics -	3.0	155,762	158,877	162,055	165,296	168,602	2%	2%	2%	2%
Pharmacy	10.4	891,127	908,950	927,129	945,671	964,585	2%	2%	2%	2%
Phlebotomy	5.1	255,991	261,111	266,333	271,660	277,093	2%	2%	2%	2%
Quality Management	1.0	142,150	144,993	147,893	150,851	153,868	2%	2%	2%	2%
Rehabilitation Medi	4.5	365,592	372,904	380,362	387,970	395,729	2%	2%	2%	2%
Receiving/Store Room	2.5	96,607	98,539	100,510	102,520	104,571	2%	2%	2%	2%
Respiratory Therapy	5.9	400,707	408,721	416,895	425,233	433,738	2%	2%	2%	2%
Security	1.0	88,326	90,093	91,895	93,733	95,607	2%	2%	2%	2%
Speech Therapy							2%	2%	2%	2%
Laboratory	47.0	2,386,989	2,434,728	2,483,423	2,533,091	2,583,753	2%	2%	2%	2%
Radiology	21.8	1,314,517	1,340,807	1,367,623	1,394,976	1,422,875	2%	2%	2%	2%
ER / Observation Unit	39.7	2,414,452	2,462,742	2,511,996	2,562,236	2,613,481	2%	2%	2%	2%
Dialysis	23.9	1,424,540	1,453,031	1,482,092	1,511,734	1,541,968	2%	2%	2%	2%
Family Practice	8.5	879,476	897,065	915,007	933,307	951,973	2%	2%	2%	2%
OPD Psychiatry	12.1	954,654	973,747	993,222	1,013,086	1,033,348	2%	2%	2%	2%
Finance	10.5	606,162	618,285	630,651	643,264	656,129	2%	2%	2%	2%
Total Salaries	437.1	30,869,999	31,487,399	32,117,147	32,759,490	33,414,680				
<i>JL CONSULTING, LLC printed 2/12/2016</i> Fringe Benefits @ 24.23%		7,479,801	7,629,397	7,781,985	7,937,624	8,096,377				
Total Salaries and Benefits		38,349,800	39,116,796	39,899,132	40,697,115	41,511,057				

	2016 Cost									
Anesthesia covg (per Dr. Sharma call w/ JL)	500,000	551,906	565,704	579,847	594,343	609,201				
ANESTHESIA	500,000	551,906	565,704	579,847	594,343	609,201	2.5%	2.5%	2.5%	2.5%
<i>email from A. Balko 11/18/15:</i>										
DIETARY (COOK/CHILL):	2015 Cost/Patient Day									
Dietary Cost per Patient Day	12.14	13.74	14.08	14.43	14.79	15.16	2.5%	2.5%	2.5%	2.5%
Patient Days		14,355	14,266	14,171	14,070	13,965				
DIETARY PURCHASED SERVICE		197,174	200,846	204,492	208,121	211,723				
OTHER SUPPLIES AND EXPENSES		17,906,242	18,377,251	18,865,093	19,341,162	19,809,931				
<i>Insurance (from A. Balko email 11.18.15):</i>										
	2016 Cost									
Privacy Breach	18,000									
General liability	25,000									
Property SNCH	100,000									
Property Long Beach	110,000									
Broker fees	14,000									
INSURANCE (without Malpractice)	267,000	294,718	302,086	309,638	317,379	325,314	2.5%	2.5%	2.5%	2.5%
MALPRACTICE INSURANCE		2,000,000	2,040,000	2,080,800	2,122,416	2,164,864			2%	2%
TOTAL INSURANCE		2,294,718	2,342,086	2,390,438	2,439,795	2,490,178				

2018 \$	
	10,360
44,064	264,777
44,064	1,059,109
84,708	97,510
33,956	39,087
31,898	42,593
	1,503,077
	10,360
32,999	37,986
63,493	292,356
63,493	73,089
56,153	258,556
56,153	64,639
63,493	73,089
	799,715

**LONG BEACH HOSPITAL
SALARY and NON-SALARY EXPENSES
FOR THE PROJECTION YEARS 2020 - 2024**

Department	LBH 2020				ELIH 2020 (2014 trended)			Variance			ELIH 2014		
	FTE(s)	Salaries	Non-Salaries	Total	Salaries 2%/yr trend	Non-Salaries 2.5%/yr trend	Total	Salaries	Non-Salaries	Total	Salaries	Non-Salaries	
Critical Care Unit	21.0	1,677,770		1,677,770	728,544	97,826	826,370	949,226	(97,826)	851,400	646,926	84,355	
Medical/Surgical	95.5	6,915,105	476,847	7,391,952	1,764,133	273,630	2,037,763	5,150,972	203,218	5,354,189	1,566,500	235,950	
Hospitalist (6/unit)	8.3	1,761,605		1,761,605	-	-	-	1,761,605	-	1,761,605			
Intensivist (Critical Care Unit)	3.0	1,273,450	60,710	1,334,159	-	-	-	1,273,450	60,710	1,334,159			
Admin/Nursing	5.5	365,166	16,510	381,675	805,359	22,155	827,514	(440,193)	(5,645)	(445,839)	715,136	19,104	
Administration	3.0	335,071	337,977	673,048	4,875,334	5,918,181	10,793,515	(4,540,262)	(5,580,204)	(10,120,467)	4,329,157	5,103,229	
Admitting/Registration	21.2	967,923		967,923	-	-	-	967,923	-	967,923			
Ambulatory Surgery	4.3	449,292		449,292	-	-	-	449,292	-	449,292			
Anesthesiology	-	-	551,906	551,906	122,528	2,617,834	2,740,362	(122,528)	(2,065,927)	(2,188,455)	108,801	2,257,350	
Case Management/Social Work	6.5	474,755		474,755	-	-	-	474,755	-	474,755			
Communications	2.5	108,200		108,200	-	-	-	108,200	-	108,200			
Dietary	4.0	168,792	197,174	365,966	800,419	501,017	1,301,435	(631,627)	(303,843)	(935,469)	710,749	432,025	
Electrocardiography	-	-	115,900	115,900	-	12,058	12,058	-	103,842	103,842		10,398	
Electroencephalogra	0.5	38,877		38,877	-	-	-	38,877	-	38,877			
Engineering / Plant Maintenance	16.7	1,112,886	1,013,968	2,126,854	299,814	1,478,944	1,778,758	813,072	(464,976)	348,096	266,226	1,275,289	
Environmental Services	20.1	835,777	712,984	1,548,761	512,944	176,640	689,584	322,832	536,344	859,177	455,480	152,316	
Human Resources	3.0	216,400		216,400	178,813	8,876,304	9,055,117	37,587	(8,876,304)	(8,838,717)			
Laundry and Linen	1.0	42,022	282,233	324,255	-	132,765	132,765	42,022	149,468	191,490		114,483	
Mail Processing Ctr	1.0	33,457		33,457	-	-	-	33,457	-	33,457			
Materials Management	1.0	49,684	688,154	737,838	53,291	-	53,291	(3,607)	688,154	684,547	47,321		
Medical Records	5.0	349,994		349,994	408,511	98,986	507,497	(58,517)	(98,986)	(157,503)	362,746	85,355	
Nuclear Medicine	1.4	34,554	288,853	323,407	-	-	-	34,554	288,853	323,407			
Occupational Health	2.0	141,416		141,416	-	-	-	141,416	-	141,416			
Operating Room / Rec Room	13.6	1,140,752	1,789,988	2,930,740	2,784,103	2,035,175	4,819,278	(1,643,352)	(245,187)	(1,888,538)	2,472,204	1,754,925	
Patient Logistics	3.0	155,762		155,762	-	-	-	155,762	-	155,762			
Pharmacy	10.4	891,127	1,580,752	2,471,879	945,609	1,176,434	2,122,043	(54,482)	404,318	349,836	839,674	1,014,435	
Phlebotomy	5.1	255,991		255,991	-	-	-	255,991	-	255,991			
Quality Management	1.0	142,150		142,150	-	-	-	142,150	-	142,150			
Receiving / Store Room	2.5	96,607		96,607	-	-	-	96,607	-	96,607			
Rehabilitation Medi	4.5	365,592	48,931	414,523	732,967	258,041	991,008	(367,375)	(209,110)	(576,485)	650,854	222,508	
Respiratory Therapy	5.9	400,707	108,004	508,711	264,590	40,963	305,552	136,117	67,041	203,158	234,948	35,322	
Security	1.0	88,326	535,201	623,528	-	-	-	88,326	535,201	623,528			
Laboratory	47.0	2,386,989	1,853,263	4,240,251	944,171	1,216,492	2,160,663	1,442,817	636,771	2,079,588	838,397	1,048,977	
Radiology / CT Scan / MRI	21.8	1,314,517	614,249	1,928,765	1,669,064	858,578	2,527,642	(354,547)	(244,329)	(598,876)	1,482,081	740,349	
ER / Observation Unit	39.7	2,414,452	3,236,300	5,650,753	1,202,303	397,175	1,599,479	1,212,149	2,839,125	4,051,274	1,067,611	342,483	
Dialysis	23.9	1,424,540	1,412,644	2,837,184	-	-	-	1,424,540	1,412,644	2,837,184			
Family Practice	8.5	879,476	84,050	963,526	-	-	-	879,476	84,050	963,526			
OPD Psychiatry	12.1	954,654	52,531	1,007,185	-	-	-	954,654	52,531	1,007,185			
Finance	10.5	606,162	150,000	756,162	-	-	-	606,162	150,000	756,162			
IT			1,697,112	1,697,112	-	-	-	-	1,697,112	1,697,112			
Insurance			2,294,718	2,294,718	-	-	-	-	2,294,718	2,294,718			
Depreciation			4,835,742	4,835,742									
Total Salaries and Non-Salaries Expenses	437.1	30,869,999	25,036,702	55,906,701	19,092,498	26,189,197	45,281,695	11,777,501	(5,988,237)	5,789,265	16,794,811	14,928,853	31,723,664
Fringe Benefits @ 24.23%			7,479,801	7,479,801									
Total		30,869,999	32,516,503	63,386,502									
													capital 2,267,098
													emp bene 9,055,117
													detox 995,860
													rehab 981,261
													psych 1,319,177
													clinic 64,131
													opd alcohol 880,090
													gift shop 132,365
													priv prac 611,027
													48,029,790

**LONG BEACH HOSPITAL
ADDITIONAL MEDICAID PASSTHROUGH REVENUE**

DESCRIPTION	2020	2021	2022	2023	2024
Depreciation	4,835,742	4,835,742	4,835,742	4,835,742	4,835,742
Rentals (Leases)					
Interest On Capital Debt					
Property Rentals					
Total Non-Projectable Capital	4,835,742	4,835,742	4,835,742	4,835,742	4,835,742
Major Moveable Equipment Reduction 44%	1,264,545	1,264,545	1,264,545	1,264,545	1,264,545
Total Allowable Capital Expense	3,571,197	3,571,197	3,571,197	3,571,197	3,571,197
<u>Medicaid Rates Traceback %:</u>					
Inpatient Acute Care	56.488%	56.488%	56.488%	56.488%	56.488%
<u>New Capital Allocated:</u>					
Inpatient Acute Care	2,017,289	2,017,289	2,017,289	2,017,289	2,017,289
Medicaid/Medicaid HMO Discharge %	9.26%	9.02%	8.81%	8.61%	8.41%
Net Passthrough Revenue	186,828	181,983	177,819	173,730	169,706

2010 TRACEBACK %	
Inpatient Acute Care	56.488%
Psychiatric Care	4.438%
Inpatient Subtotal	60.926%
All Other Combined	39.074%
Total	100.000%

	2020	2021	2022	2023	2024
Medicaid Discharges	143	139	135	131	128
Medicaid HMO Discharges	169	163	158	153	148
Total Mcd/Mcd HMO Discharges	312	302	293	284	276
Total Discharges	3,374	3,351	3,327	3,302	3,275
Mcd & Mcd HMO disch over total disch	9.26%	9.02%	8.81%	8.61%	8.41%
Mce/Mcd HMO Capital per Discharge	597.91	601.97	606.33	610.97	615.90

31% from All Other based on LBMC 2011 ICR :

LONG BEACH HOSPITAL
OUTPATIENT SERVICES REVENUE @ % OF MARKET SHARE
FOR PROJECTION YEARS 2020 - 2024

4,015 4,519 5,036 5,175 5,904

Data include Long Beach, Atlantic Beach, Point Lookout ZIP Codes and Out-of-Area Estimate

SERVICE:	FINANCIAL CLASS	Long Beach	PROJECTED VISITS				
			2020	2021	2022	2023	2024
ED (TREAT RELEASE)	Medicare	21.28%	2,204	2,287	2,370	2,472	2,594
	Medicaid	3.99%	414	429	445	464	487
	Non Profit Indemnity Ins	16.92%	1,753	1,819	1,885	1,966	2,064
	Commercial Indemnity Ins	2.17%	225	233	242	252	265
	HMO - Medicare	7.83%	811	841	872	909	954
	HMO - Medicaid	14.11%	1,462	1,516	1,572	1,639	1,720
	HMO - PHSP Other	16.24%	1,683	1,746	1,809	1,887	1,981
	Self Insured	0.00%	-	-	-	-	-
	Workers Comp	3.37%	349	362	375	391	411
	No Fault	2.77%	287	298	308	322	338
	Uninsured/Self Pay	9.68%	1,003	1,041	1,079	1,125	1,181
	Free	1.64%	170	177	183	191	200
	TOTAL	100%	10,360	10,749	11,141	11,619	12,194

RENAL DIALYSIS	FINANCIAL CLASS	Long Beach	PROJECTED PMT RATES				
			2020	2021	2022	2023	2024
RENAL DIALYSIS	Medicare	64.72%	5,856	6,058	6,361	6,563	6,664
	Medicaid	4.46%	404	418	438	452	459
	Non Profit Indemnity Ins	8.83%	799	826	868	895	909
	Commercial Indemnity Ins	0.03%	2	3	3	3	3
	HMO - Medicare	5.74%	519	537	564	582	591
	HMO - Medicaid	1.20%	109	112	118	122	123
	HMO - PHSP Other	10.71%	969	1,003	1,053	1,086	1,103
	Self Insured	0.68%	61	63	67	69	70
	Workers Comp	0.00%	-	-	-	-	-
	No Fault	0.00%	-	-	-	-	-
	Uninsured/Self Pay	3.63%	328	340	357	368	374
	Free	0.00%	-	-	-	-	-
	TOTAL	100%	9,048	9,360	9,828	10,140	10,296

MRI	FINANCIAL CLASS	Long Beach	PROJECTED PMT RATES				
			2020	2021	2022	2023	2024
MRI	Medicare	51.96%	158	200	243	287	333
	Medicaid	2.12%	6	8	10	12	14
	Non Profit Indemnity Ins	11.93%	36	46	56	66	76
	Commercial Indemnity Ins	0.48%	1	2	2	3	3
	HMO - Medicare	3.82%	12	15	18	21	24
	HMO - Medicaid	7.99%	24	31	37	44	51
	HMO - PHSP Other	15.79%	48	61	74	87	101
	Self Insured	0.00%	-	-	-	-	-
	Workers Comp	0.48%	1	2	2	3	3
	No Fault	0.43%	1	2	2	2	3
	Uninsured/Self Pay	0.24%	1	1	1	1	2
	Free	4.76%	15	18	22	26	30
	TOTAL	100%	305	386	469	553	640

CT	FINANCIAL CLASS	Long Beach	PROJECTED PMT RATES				
			2020	2021	2022	2023	2024
CT	Medicare	51.96%	158	200	243	287	333
	Medicaid	2.12%	6	8	10	12	14
	Non Profit Indemnity Ins	11.93%	36	46	56	66	76
	Commercial Indemnity Ins	0.48%	1	2	2	3	3
	HMO - Medicare	3.82%	12	15	18	21	24
	HMO - Medicaid	7.99%	24	31	37	44	51
	HMO - PHSP Other	15.79%	48	61	74	87	101
	Self Insured	0.00%	-	-	-	-	-
	Workers Comp	0.48%	1	2	2	3	3
	No Fault	0.43%	1	2	2	2	3
	Uninsured/Self Pay	0.24%	1	1	1	1	2
	Free	4.76%	15	18	22	26	30
	TOTAL	100%	305	386	469	553	640

X-RAY	FINANCIAL CLASS	Long Beach	PROJECTED PMT RATES				
			2020	2021	2022	2023	2024
X-RAY	Medicare	51.96%	158	200	243	287	333
	Medicaid	2.12%	6	8	10	12	14
	Non Profit Indemnity Ins	11.93%	36	46	56	66	76
	Commercial Indemnity Ins	0.48%	1	2	2	3	3
	HMO - Medicare	3.82%	12	15	18	21	24
	HMO - Medicaid	7.99%	24	31	37	44	51
	HMO - PHSP Other	15.79%	48	61	74	87	101
	Self Insured	0.00%	-	-	-	-	-
	Workers Comp	0.48%	1	2	2	3	3
	No Fault	0.43%	1	2	2	2	3
	Uninsured/Self Pay	0.24%	1	1	1	1	2
	Free	4.76%	15	18	22	26	30
	TOTAL	100%	305	386	469	553	640

MAMMOGRAPHY	FINANCIAL CLASS	Long Beach	PROJECTED PMT RATES				
			2020	2021	2022	2023	2024
MAMMOGRAPHY	Medicare	51.96%	158	200	243	287	333
	Medicaid	2.12%	6	8	10	12	14
	Non Profit Indemnity Ins	11.93%	36	46	56	66	76
	Commercial Indemnity Ins	0.48%	1	2	2	3	3
	HMO - Medicare	3.82%	12	15	18	21	24
	HMO - Medicaid	7.99%	24	31	37	44	51
	HMO - PHSP Other	15.79%	48	61	74	87	101
	Self Insured	0.00%	-	-	-	-	-
	Workers Comp	0.48%	1	2	2	3	3
	No Fault	0.43%	1	2	2	2	3
	Uninsured/Self Pay	0.24%	1	1	1	1	2
	Free	4.76%	15	18	22	26	30
	TOTAL	100%	305	386	469	553	640

LONG BEACH - OP Behavioral Health	FINANCIAL CLASS	Long Beach	PROJECTED PMT RATES				
			2020	2021	2022	2023	2024
LONG BEACH - OP Behavioral Health	Medicare	33.50%	1,675	2,412	2,412	2,412	2,412
	Medicaid	21.32%	1,066	1,535	1,535	1,535	1,535
	Non Profit Indemnity Ins	4.95%	248	357	357	357	357
	Commercial Indemnity Ins	4.95%	248	357	357	357	357
	HMO - Medicare	4.12%	206	297	297	297	297
	HMO - Medicaid	8.11%	406	584	584	584	584
	HMO - PHSP Other	15.79%	790	1,137	1,137	1,137	1,137
	Self Insured	0.00%	-	-	-	-	-
	Workers Comp	1.16%	58	84	84	84	84
	No Fault	0.00%	-	-	-	-	-
	Uninsured/Self Pay	0.54%	27	39	39	39	39
	Free	8.42%	421	606	606	606	606
	TOTAL	100%	5,904	8,421	8,421	8,421	8,421

SNCH 2016	PROJECTED PMT RATES					
	2020	2021	2022	2023	2024	
SNCH 2016	Medicare	453	478	482	487	492
	Medicaid	317	330	333	336	340
	Non Profit Indemnity Ins	1,355	1,525	1,570	1,617	1,666
	Commercial Indemnity Ins	1,730	1,947	2,006	2,066	2,128
	HMO - Medicare	602	622	608	614	620
	HMO - Medicaid	350	364	368	372	375
	HMO - PHSP Other	1,730	1,947	2,006	2,066	2,128
	Self Insured	-	-	-	-	-
	Workers Comp	445	463	468	472	477
	No Fault	445	463	468	472	477
	Uninsured/Self Pay	-	-	-	-	-
	Free	-	-	-	-	-
	TOTAL	8,891,427	9,450,187	10,033,705	10,721,299	11,528,860

SNCH 2016	PROJECTED REVENUE					
	2020	2021	2022	2023	2024	
SNCH 2016	Medicare	1,052,676	1,103,136	1,154,734	1,216,373	1,289,352
	Medicaid	136,334	142,869	149,551	157,334	166,986
	Non Profit Indemnity Ins	2,673,115	2,856,721	3,049,555	3,275,948	3,541,258
	Commercial Indemnity Ins	437,712	467,776	499,352	536,423	579,867
	HMO - Medicare	488,091	511,487	535,411	563,991	597,839
	HMO - Medicaid	532,383	557,903	583,998	615,171	652,080
	HMO - PHSP Other	3,276,792	3,501,862	3,738,244	4,015,765	4,340,991
	Self Insured	-	-	-	-	-
	Workers Comp	161,534	169,277	177,194	186,653	197,851
	No Fault	130,791	139,156	145,665	153,441	162,647
	Uninsured/Self Pay	-	-	-	-	-
	Free	-	-	-	-	-
	TOTAL	8,891,427	9,450,187	10,033,705	10,721,299	11,528,860

SNCH 2015	PROJECTED REVENUE					
	2020	2021	2022	2023	2024	
SNCH 2015	Medicare	1,683,365	1,758,826	1,865,235	1,943,694	1,993,333
	Medicaid	89,739	93,762	99,434	103,617	106,263
	Non Profit Indemnity Ins	1,052,729	1,121,701	1,213,119	1,289,180	1,348,284
	Commercial Indemnity Ins	211,080	220,543	233,885	243,724	249,948
	HMO - Medicare	25,970	27,134	28,776	29,986	30,752
	HMO - Medicaid	456,128	486,012	525,622	558,758	584,186
	Self Insured	-	-	-	-	-
	Workers Comp	3,563	4,553	5,584	6,659	7,783
	No Fault	3,211	4,102	5,032	6,000	7,013
	Uninsured/Self Pay	-	-	-	-	-
	Free	-	-	-	-	-
	TOTAL	3,520,137	3,709,177	3,967,369	4,170,156	4,314,208

SNCH 2015	PROJECTED REVENUE					
	2020	2021	2022	2023	2024	
SNCH 2015	Medicare	84,853	108,422	132,991	158,583	185,357
	Medicaid	12,914	16,502	20,241	24,136	28,211
	Non Profit Indemnity Ins	142,555	183,811	232,431	282,646	335,909
	Commercial Indemnity Ins	1,478	1,870	2,271	2,681	3,103
	HMO - Medicare	5,785	5,926	6,067	6,212	6,371
	HMO - Medicaid	40,447	51,682	63,393	75,592	88,355
	HMO - PHSP Other	49,055	62,060	75,369	89,983	102,977
	Self Insured	-	-	-	-	-
	Workers Comp	3,563	4,553	5,584	6,659	7,783
	No Fault	3,211	4,102	5,032	6,000	7,013
	Uninsured/Self Pay	-	-	-	-	-
	Free	-	-	-	-	-
	TOTAL	343,900	442,394	546,379	656,091	772,346

SNCH 2015	PROJECTED REVENUE					
	2020	2021	2022	2023	2024	
SNCH 2015	Medicare	311	314	318	321	324
	Medicaid					

**LONG BEACH HOSPITAL
OUTPATIENT SERVICES REVENUE @ % OF MARKET SHARE
FOR PROJECTION YEARS 2020 - 2024**

4,015 4,519 5,036 5,175 5,904

Data include Long Beach, Atlantic Beach, Point Lookout ZIP Codes and Out-of-Area Estimate

SERVICE:	TOTAL	PROJECTED VISITS				
		2020	2021	2022	2023	2024
		5,000	7,200	7,200	7,200	7,200
FAMILY PRACTICE	FINANCIAL CLASS	Long Beach				
Medicare	18.62%	1,490	1,490	1,520	1,520	1,583
Medicaid	8.52%	681	681	695	695	724
Non Profit Indemnity Ins	0.00%	-	-	-	-	-
Commercial Indemnity Ins	0.00%	-	-	-	-	-
HMO - Medicare	0.28%	22	22	23	23	24
HMO - Medicaid	35.94%	2,875	2,875	2,933	2,933	3,055
HMO - PHSP Other	0.26%	21	21	21	21	22
Self Insured	0.00%	-	-	-	-	-
Workers Comp	0.02%	1	1	1	1	1
No Fault	0.00%	-	-	-	-	-
Uninsured/Self Pay	0.17%	14	14	14	14	15
Free	36.18%	2,895	2,895	2,953	2,953	3,076
TOTAL	100%	8,000	8,000	8,160	8,160	8,500
SUBTOTAL		36,424	39,829	41,365	42,294	44,095

SNCH 2016

SERVICE:	PROJECTED PMT RATES				
	2020	2021	2022	2023	2024
Medicare	113	118	119	120	121
Medicaid	183	190	192	194	198
Non Profit Indemnity Ins	176	198	204	210	223
Commercial Indemnity Ins	208	234	241	248	256
HMO - Medicare	121	126	127	128	130
HMO - Medicaid	188	196	198	200	202
HMO - PHSP Other	208	234	241	248	256
Self Insured	-	-	-	-	-
Workers Comp	46	48	48	49	50
No Fault	46	48	48	49	50
Uninsured/Self Pay	-	-	-	-	-
Free	-	-	-	-	-
TOTAL	875,239	884,089	910,892	920,107	968,143
SUBTOTAL	14,770,705	16,096,774	17,303,210	18,149,615	19,678,915

SERVICE:	PROJECTED REVENUE				
	2020	2021	2022	2023	2024
Medicare	175,202	176,954	182,298	184,121	193,711
Medicaid	129,768	131,066	135,024	136,374	143,477
Non Profit Indemnity Ins	-	-	-	-	-
Commercial Indemnity Ins	-	-	-	-	-
HMO - Medicare	2,813	2,841	2,927	2,956	3,110
HMO - Medicaid	562,485	568,110	585,267	591,119	621,907
HMO - PHSP Other	4,904	5,051	5,306	5,465	5,864
Self Insured	-	-	-	-	-
Workers Comp	67	68	70	70	74
No Fault	-	-	-	-	-
Uninsured/Self Pay	-	-	-	-	-
Free	-	-	-	-	-
TOTAL	875,239	884,089	910,892	920,107	968,143
SUBTOTAL	14,770,705	16,096,774	17,303,210	18,149,615	19,678,915

SERVICE:	rate trends									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Medicare	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Medicaid	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Non Profit Indemnity Ins	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Commercial Indemnity Ins	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
HMO - Medicare	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
HMO - Medicaid	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
HMO - PHSP Other	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Self Insured	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Workers Comp	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
No Fault	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Uninsured/Self Pay	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Free	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

OBSERVATION	112	111	110	109	108	1,249	1,261	1,274	1,287	1,299	140,030	140,306	140,530	140,705	140,831	1%	1%	1%	1%	1%	1%	1%	1%
ASU	1,000	1,000	1,000	1,000	1,000	2,061	2,081	2,102	2,123	2,144	2,060,602	2,081,208	2,102,020	2,123,040	2,144,271	1%	1%	1%	1%	1%	1%	1%	1%
SUBTOTAL OUTPATIENT	37,536	40,940	42,475	43,403	45,203						16,971,337	18,318,288	19,545,760	20,413,360	21,964,017								

Medicare Sequstration 2%
Pool Receipts
Health Facilities Assessment .0035%

(74,679) (81,204) (86,958) (89,848) (96,280)
(53,070) (56,510) (59,465) (62,493) (65,831)

based on 2 yrs prior calc rev

TOTAL OUTPATIENT

\$16,843,587 \$18,180,573 \$19,567,554 \$20,437,188 \$21,986,829

FOR POOL RECEIPTS CALC

FOR POOL RECEIPTS CALC:

ED (TREAT RELEASE)	FINANCIAL CLASS	Long Beach	PROJECTED MEDICAID RATES														
			2020	2021	2022	2023	2024										
Uninsured/Self Pay	1,003	1,041	1,079	1,125	1,181	317	330	333	336	340	343	330,803	346,660	362,875	382,245	405,178	
RENAL DIALYSIS	Uninsured/Self Pay	404	418	438	452	459	214	222	225	227	229	231	89,739	93,762	99,434	103,617	106,263
MRI	Uninsured/Self Pay	1	1	1	1	2	1,897	1,993	2,013	2,033	2,054	2,074	-	-	-	-	-
CT	Uninsured/Self Pay	0	0	0	0	1	86	90	91	92	93	94	-	-	-	-	-
X-RAY	Uninsured/Self Pay	7	8	8	8	9	54	57	58	58	59	59	-	-	-	-	-
MAMMOGRAPHY	Uninsured/Self Pay	1	2	2	2	3	400	420	424	428	433	437	-	-	-	-	-
LONG BEACH - OP Behavioral Health	Uninsured/Self Pay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAMILY PRACTICE	Uninsured/Self Pay	14	14	14	14	15	183	190	192	194	196	198	-	-	-	-	-
Total Self Pay Revenue @ Mcd Rate													420,542	440,422	462,309	485,861	511,441
Set at 40% of Medicaid Rate													168,217	176,169	184,924	194,345	204,577

DO NOT INCLUDE BELOW:

ED (ADMITS)	FINANCIAL CLASS	Long Beach	PROJECTED MEDICAID RATES															
			2020	2021	2022	2023	2024											
Medicare	57.16%	369	374	379	387	384	-	-	-	-	-	-	-	-	-	-	-	
Medicaid	10.35%	67	68	69	70	70	-	-	-	-	-	-	-	-	-	-	-	
Non Profit Indemnity Ins	5.24%	34	34	35	36	35	-	-	-	-	-	-	-	-	-	-	-	
Commercial Indemnity Ins	1.27%	8	8	8	9	9	-	-	-	-	-	-	-	-	-	-	-	
HMO - Medicare	9.21%	59	60	61	62	62	-	-	-	-	-	-	-	-	-	-	-	
HMO - Medicaid	7.98%	52	52	53	54	54	-	-	-	-	-	-	-	-	-	-	-	
HMO - PHSP Other	6.38%	41	42	42	43	43	-	-	-	-	-	-	-	-	-	-	-	
Self Insured	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Workers Comp	0.04%	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	
No Fault	0.04%	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	
Uninsured/Self Pay	2.24%	14	15	15	15	15	-	-	-	-	-	-	-	-	-	-	-	
Free	0.08%	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	100%	646	654	663	678	673												

FAMILY PRACTICE	FINANCIAL CLASS	Long Beach	visits as of 8/26/15														
			2020	2021	2022	2023	2024										
Medicare	18.62%	2,328	2,328	2,375	2,375	2,421	250	258	260	263	265	268	599,653	605,649	623,940	630,179	648,961
Medicaid	8.52%	1,065	1,065	1,086	1,086	1,107	150	150	150	150	150	150	159,714	159,714	162,908	162,908	166,102
Non Profit Indemnity Ins	0.00%	-	-	-	-	-	128	128	128	128	128	128	-	-	-	-	-
Commercial Indemnity Ins	0.00%	-	-	-	-	-	150	155	156	158	159	161	-	-	-	-	-
HMO - Medicare	0.28%	35	35	36	36	36	150	155	156	158	159	161	5,395	5,449	5,614	5,670	5,839
HMO - Medicaid	35.94%	4,492	4,492	4,582	4,582	4,672	150	150	150	150	150	150	673,874	673,874	687,352	687,352	700,829
HMO - PHSP Other	0.26%	33	33	33	33	34	150	150	150	150	150	150	4,909	4,909	5,007	5,007	5,106
Self Insured	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Workers Comp	0.02%	2	2	2	2	2	63	63	63	63	63	63	137	137	140	140	143
No Fault	0.00%	-	-	-	-	-	63	63	63	63	63	63	-	-	-	-	-
Uninsured/Self Pay	0.17%	22	22	22	22	23	443	443	443	443	443	443	9,666	9,666	9,859	9,859	10,052
Free	36.18%	4,523	4,523	4,614	4,614	4,704	-	-	-	-	-	-	-	-	-	-	-
TOTAL	100%	12,500	12,500	12,750	12,750	13,000							1,453,348	1,459,399	1,494,820	1,501,115	1,537,032

as of 9/8/15 meeting ---->do not include Eye Clinic

LONG BEACH - OP Cataract/Eye - SNCH VOLUME	FINANCIAL CLASS	Long Beach	PROJECTED MEDICAID RATES				
			2020				

LONG BEACH HOSPITAL
Inpatient Projected Revenue Per Case
For the Year Ended December 31, 2016

ACUTE	2016 Neutral Rate
--------------	--------------------------

Medicare / Mcd HMO Rate w/o IME

Inlier	\$6,908.77
Readmission Adjustment	(\$54.58)
Value Based Pricing Adjustment	(\$42.59)
DSH	\$98.08
Total Operatng	\$6,909.68
Capital	\$569.42
DSH ADD-on	\$451.33

Medicaid w/o IME/DME/Capital \$6,667.90

All Other (Commercial, Mcd HMO, W/C & NF) * \$11,649.97

	Rev/Case Neutral	Budgeted Cases	Revenue
Mcd HMO w/o IME/DME/Capital	6,667.90	3,059	20,397,106
Blue Cross		3,167	53,659,731
<u>Contracted Managed Care (excl PD contracts</u>			
<u>(i.e. Magna, Multiplan, PHCS)</u>			
Aetna	13,011	313	4,072,586
USHC	13,011	343	4,462,930
Nat'l Bnft Fund 1199	13,011	178	2,316,040
Cigna	10,578	349	3,691,722
GHI	14,545	117	1,701,816
HIP	14,545	295	4,290,905
Oxford	10,291	672	6,915,784
United	10,291	597	6,143,933
Contracted Managed care	11,730	2,864	33,595,716
WC/NF	7,443.38	380	2,828,484
Medicaid Pending	6,667.90	110	733,469
Pending NF	7,443.38	9	497,017
	11,649.97	9,589	111,711,524

* - excludes Per Diem Payers (i.e. Magna, Multiplan and PHCS) and no CMI on budget Payers (i.e. BC Exchange and Commercial & NonContracted)

LONG BEACH HOSPITAL
Inpatient Projected Revenue
For The Projection Years 2016-2024

Financial Class
Medicare
Medicaid
Mcr HMO
All Other Payers
Self-Pay
Grand Total

DISCHARGES								
2016	2017	2018	2019	2020	2021	2022	2023	2024
2,276	2,284	2,290	2,293	2,295	2,295	2,293	2,290	2,285
161	157	152	148	143	139	135	131	128
303	306	308	309	310	311	312	313	313
617	598	579	561	544	527	510	494	478
92	89	87	84	81	79	76	74	71
3,450	3,433	3,415	3,395	3,374	3,351	3,327	3,302	3,275

RATE TRENDS							
2017	2018	2019	2020	2021	2022	2023	2024

Financial Class
Medicare
Medicaid
Mcr HMO
All Other Payers
Self-Pay
Grand Total

AVG CMI								
2016	2017	2018	2019	2020	2021	2022	2023	2024
1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27
0.81	0.81	0.81	0.81	0.81	0.81	0.82	0.82	0.82
1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99
0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99
1.18	1.18	1.18	1.18	1.19	1.19	1.19	1.19	1.19

Financial Class
Medicare - Operating
Medicare - Capital
Medicare - UCP
Medicaid
Mcr HMO - Operating
Mcr HMO - Capital
Mcr HMO - UCP
All Other Payers
Self-Pay

REVENUE PER CASE NEUTRAL								
2016	2017	2018	2019	2020	2021	2022	2023	2024
6,910	6,979	7,049	7,119	7,190	7,262	7,335	7,408	7,482
569	575	581	587	593	598	604	610	617
451	451	451	451	451	451	451	451	451
6,668	6,735	6,802	6,870	6,939	7,008	7,078	7,149	7,220
6,910	6,979	7,049	7,119	7,190	7,262	7,335	7,408	7,482
569	575	581	587	593	598	604	610	617
451	451	451	451	451	451	451	451	451
11,650	11,999	12,359	12,730	13,112	13,506	13,911	14,328	14,758
0	0	0	0	0	0	0	0	0

1%	1%	1%	1%	1%	1%	1%	1%	1%
1%	1%	1%	1%	1%	1%	1%	1%	1%
1%	1%	1%	1%	1%	1%	1%	1%	1%
1%	1%	1%	1%	1%	1%	1%	1%	1%
3%	3%	3%	3%	3%	3%	3%	3%	3%
0%	0%	0%	0%	0%	0%	0%	0%	0%

Financial Class
Medicare w/ Capital & UCP
Medicaid
Mcr HMO
All Other Payers
Self-Pay
Subtotal
Medicaid Capital Passthrough
Medicare Sequestration 2%
Denial Reserve
Medicare Transfer Reserve
Pool Receipts
Statewide Pool 1% Assessment
Health Facilities Assessment .0035%
TOTAL
Avg Revenue Per Case CMI Adj

PROJECTED REVENUE								
2016	2017	2018	2019	2020	2021	2022	2023	2024
\$22,276,163	\$22,567,458	\$22,841,062	\$23,097,511	\$23,337,329	\$23,561,025	\$23,769,095	\$23,962,024	\$24,140,282
875,439	858,836	842,544	826,560	810,876	795,487	780,388	765,573	751,037
2,693,709	2,740,013	2,783,754	2,825,009	2,863,855	2,900,361	2,934,601	2,966,643	2,996,553
7,110,225	7,096,374	7,082,395	7,068,287	7,054,048	7,039,676	7,025,170	7,010,527	6,995,748
-	-	-	-	-	-	-	-	-
\$32,955,537	\$33,262,680	\$33,549,755	\$33,817,367	\$34,066,107	\$34,296,549	\$34,509,254	\$34,704,767	\$34,883,620
			186,828	181,983	177,819	173,730	169,706	
			(466,747)	(471,220)	(475,382)	(479,240)	(482,806)	
			(510,992)	(514,448)	(517,639)	(520,572)	(523,254)	1.5% of total revenue
			(350,060)	(353,415)	(356,536)	(359,430)	(362,104)	1.5% of Mcr revenue
					19,425	18,944	18,483	based on 2 yrs prior calc rev
			(329,251)	(331,394)	(333,375)	(335,193)	(336,852)	
			(115,238)	(115,988)	(116,681)	(117,317)	(117,898)	
TOTAL				\$32,480,647	\$32,692,065	\$32,906,885	\$33,085,689	\$33,248,895
Avg Revenue Per Case CMI Adj	\$0	\$0	\$0	\$9,627	\$9,756	\$9,891	\$10,021	\$10,151

DO NOT DELETE:

Observation (Chest Pain/Syncope)
Avg Pmt Rate

2016	2017	2018	2019	2020	2021	2022	2023	2024
115	115	114	113	112	111	110	109	108
1,200	1,212	1,224	1,236	1,249	1,261	1,274	1,287	1,299
138,379	138,878	139,318	139,701	140,030	140,306	140,530	140,705	140,831

1%	1%	1%	1%	1%	1%	1%	1%	1%
----	----	----	----	----	----	----	----	----

FOR POOL RECEIPTS CALC:

Self Pay Cases
Self Pay CMI
Mcd Rate - Operating
Mcd Rate - Capital (from capital passthrough calc)
Total Self Pay Revenue @ Mcd Rate
Set at 40% of Medicaid Rate

2020	2021	2022	2023	2024
81	79	76	74	71
-	-	-	-	-
6,939	7,008	7,078	7,149	7,220
598	602	606	611	616
48,563	47,360	46,207	45,099	44,035
19,425	18,944	18,483	18,040	17,614

LONG BEACH HOSPITAL
Statements of Activities
For Projection Years 2020 - 2024

	2020	2021	2022	2023	2024
Revenue					
Net Inpatient Service Revenue	\$32,480,647	\$32,692,065	\$32,906,885	\$33,085,689	\$33,248,895
Net Outpatient Service Revenue	16,843,587	18,180,573	19,567,554	20,437,188	21,986,829
Total Net Patient Service Revenue	49,324,234	50,872,638	52,474,439	53,522,877	55,235,724
Physician Billing Revenue	2,622,527	2,674,978	2,728,478	2,783,047	2,838,708
Other Operating Revenue	100,000	102,000	104,040	106,121	108,243
Total Revenue	52,046,762	53,649,616	55,306,957	56,412,045	58,182,675
Expenses					
Salaries	30,869,999	31,487,399	32,117,147	32,759,490	33,414,680
Employee Benefits	7,479,801	7,629,397	7,781,985	7,937,624	8,096,377
Supplies and Other Expenses	17,906,242	18,377,251	18,865,093	19,341,162	19,809,931
Insurance	2,294,718	2,342,086	2,390,438	2,439,795	2,490,178
Interest					
Depreciation	4,835,742	4,835,742	4,835,742	4,835,742	4,835,742
Total Expenses	63,386,502	64,671,875	65,990,405	67,313,813	68,646,908
Operating Income/(Loss)	(\$11,339,740)	(\$11,022,259)	(\$10,683,448)	(\$10,901,768)	(\$10,464,232)

estimate subject to change (1/2 the cost of Hospitalist, Intensivist & ER MDs, Radiologists and Anesthesia MDs trended 2%)

Reconciliation:

P&L as of 11/19/15	(10,843,232)	(10,533,567)	(10,177,539)	(10,378,359)	(9,922,899)
Plant Maintenance staff sal & ben	(393,169)	(401,032)	(409,053)	(417,234)	(425,579)
Dietary workers sal & ben	(209,690)	(213,884)	(218,162)	(222,525)	(226,975)
reduce Fixed Equip \$2M + \$175K re-therm	47,420	71,783	71,584	71,589	71,668
Case Management sal & ben	46,273	47,199	48,143	49,106	50,088
Medical Records sal & ben	(231,123)	(235,745)	(240,460)	(245,270)	(250,175)
Receiving/Store Room	(120,015)	(122,415)	(124,864)	(127,361)	(129,908)
Materials Management sal & ben	201,936	205,975	210,095	214,297	218,582
Legal Fees	(200,000)	(205,000)	(210,125)	(215,378)	(220,763)
Other Operating Revenue	(150,000)	(153,000)	(156,060)	(159,181)	(162,365)
Human Resources sal & ben	(268,834)	(274,210)	(279,694)	(285,288)	(290,994)
EKG (delete salaries / OTPS \$10500)	163,397	166,207	169,062	171,962	174,908
Communications sal & ben	139,005	141,785	144,621	147,513	150,463
Communications non-salary	(71,748)	(73,542)	(75,380)	(77,265)	(79,196)
Collection Fees	25,000	25,625	26,266	26,922	27,595
Anesthetical sal/ben, OTPS and prof fees	586,238	595,399	604,680	614,080	623,601
AHA dues, GNYHA dues, LIHN expenses, Joint Commission, etc.	(66,229)	(67,884)	(69,582)	(71,321)	(73,104)
Radiology-MRI techs sal/ben and OTPS	176,843	179,828	182,859	185,937	189,061
OTPS Allocation ASU adj	(171,813)	(175,779)	(179,838)	(183,991)	(188,242)
P&L as of 11/23/15	(11,339,740)	(11,022,259)	(10,683,448)	(10,901,768)	(10,464,232)

LONG BEACH HOSPITAL
Statements of Financial Position
For Projection Years 2017-2024

	2017	2018	2019	2020	2021	2022	2023	2024	
Assets:									
Cash				(7,380,309)	(13,654,713)	(19,571,139)	(25,656,629)	(31,385,977)	
Accounts Receivable				6,278,911	6,474,850	6,653,783	6,785,664	7,001,187	46 days of A/R
Inventories				500,000	510,000	520,200	530,604	541,216	trend 2%/yr
Property, Plant and Equipment				93,753,058	88,917,317	84,081,575	79,245,833	74,410,091	
Construction In Progress	26,157,013	52,314,027	78,471,040						
Total Assets	26,157,013	52,314,027	78,471,040	93,151,660	82,247,454	71,684,418	60,905,472	50,566,517	
Liabilities:									
Accounts Payable and Accrued Expenses				4,427,608	4,516,160	4,606,483	4,698,613	4,792,585	80 days of non-sal w/o dep & ben trended 2%
Accrued Payroll and Benefits				737,496	752,246	767,291	782,637	798,290	1 week of sal&ben
Accrued Vacation				737,496	752,246	767,291	782,637	798,290	1 week of sal&ben
Total Liabilities	-	-	-	5,902,600	6,020,652	6,141,065	6,263,886	6,389,164	
Unrestricted Net Assets (deficit)	26,157,013	52,314,027	78,471,040	87,249,060	76,226,802	65,543,353	54,641,585	44,177,353	
Total Liabilities and Unrestricted Net Assets (deficit)	26,157,013	52,314,027	78,471,040	93,151,660	82,247,454	71,684,418	60,905,472	50,566,517	