

EXHIBIT 26



Dimensions Healthcare System

Cardiovascular Program

Strategic Business Plan

FY2012 – FY2017

Business Plan Executive Summary

DHS/UMMS Executive Work Group

December 13, ~~2013~~ 2012 [correct typo]

- Interviews and strategy discussions were conducted with selected cardiovascular physicians, administrators, and key operational leaders from PGHC, LRH, BHC, and UMMS.
- Market Assessment was completed Sept. 24, 2012.
- Operational Assessment was completed Nov. 12, 2012.
- Preliminary volume and financial projections for FY13 – FY17 were reviewed and approved.
- Preliminary CV Business Plan Strategies, Operational Improvement Plan for PGHC, and financial plan were discussed With DHS/UMMS Work Groups Nov. 12th, 19th, and Dec. 6, 2012.



Market Assessment Summary

DHS Service Area

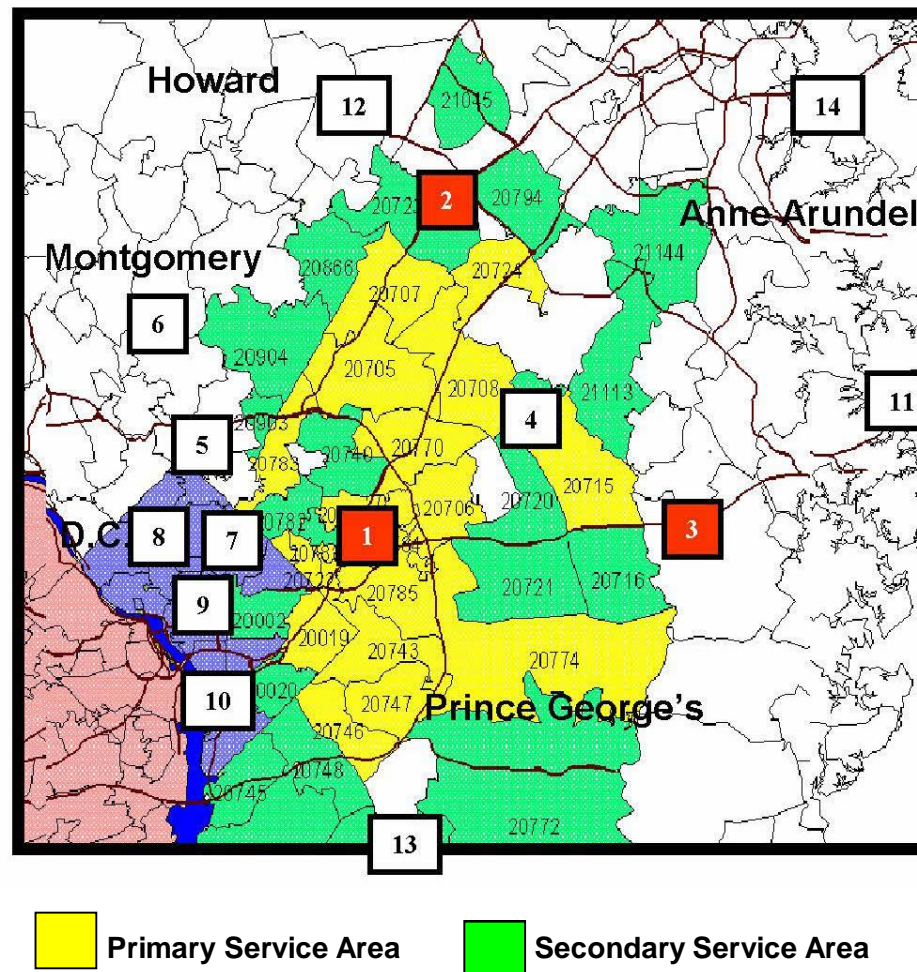
Key Findings

Cardiovascular Patient Volume Potential

PGHC Volume Projections

Dimensions Healthcare System Service Area

1. Prince George's Hospital
2. Laurel Regional Hospital
3. Bowie Health Center
4. Doctor's Comm. Hospital
5. Washington Adventist
6. Holy Cross
7. Providence Hospital
8. Washington Hosp. Center
9. Howard University
10. Greater Southeast
11. Anne Arundel
12. Howard County General
13. Southern Maryland
14. BWMC



SOUTHERN MARYLAND REGION 2016 TOTAL CORONARY ARTERY DISEASE VOLUME POTENTIAL

County	Diagnostic Cath	PCI Patients	Cardiac Surgery Total
Prince George's	5,777	1,697	743
St. Mary's	774	252	112
Charles	1,058	309	146
Calvert	730	216	110
Region Total	8,340	2,438	1,044

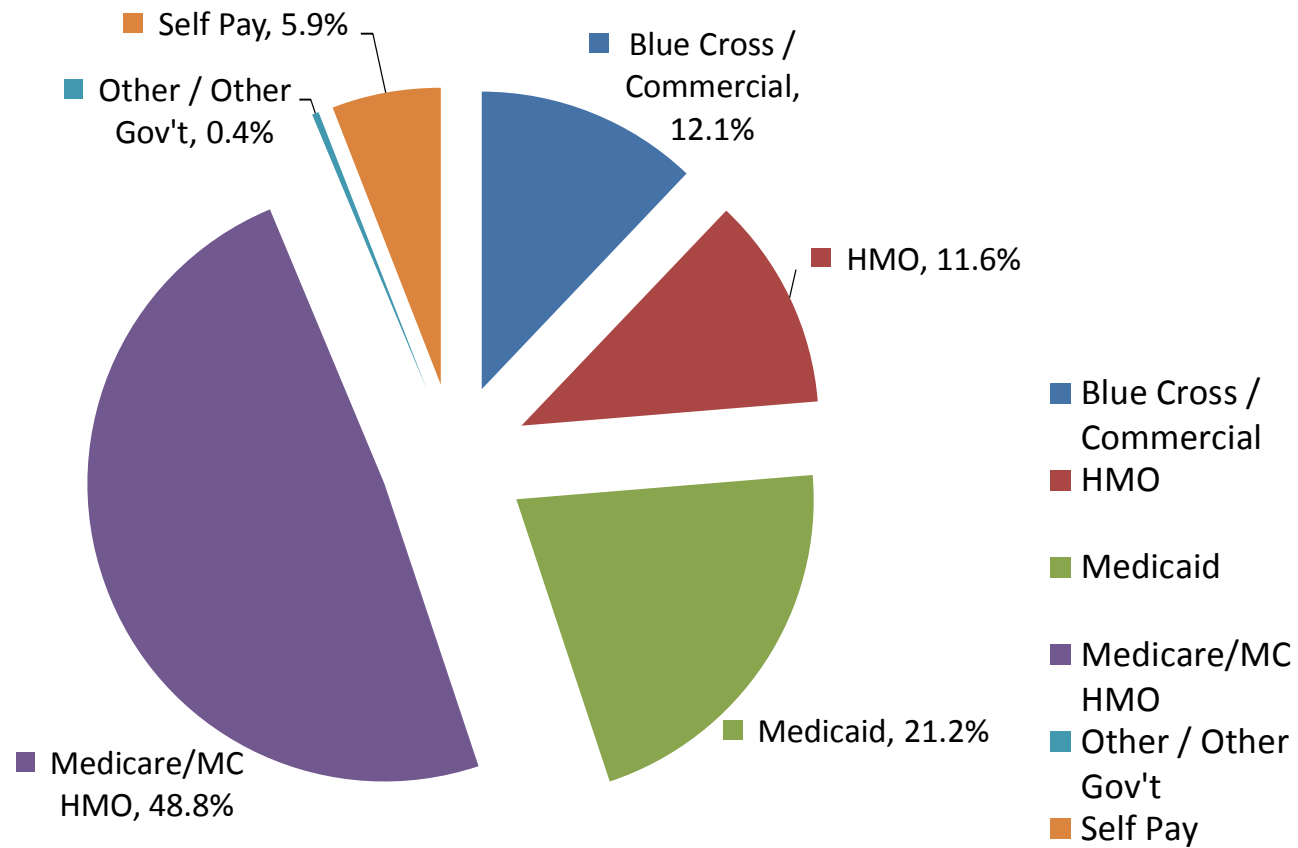
Note: Volume projections based on age adjusted use rates from National Hospital Discharge Survey. Projections adjusted for low historical use-rates in Prince Georges' County.

PGHC Patient Volume Projections

CV Service Line	PGHC Actual FY11	PGHC Actual FY12	FY2013	FY2014	FY2015	FY2016	FY2017
Cardiac Arrhythmia	181	158	156	181	210	237	273
Cardiac Surgery	24	5	20	115	200	250	300
Cardiology	1,078	794	800	852	947	1,040	1,068
Interventional cardiology	181	155	188	233	272	298	357
Vascular	56	63	69	72	85	98	132
Vascular Surgery	123	124	129	155	219	239	245
Total Inpatient CV	1,643	1,299	1,363	1,607	1,933	2,163	2,374
Cardiac Observation Hours	23,278	47,899	51,030	56,134	57,256	57,829	58,407

Source: PGHC's St. Paul's MS-DRG Discharge Data Reports FY11 and FY12. Observation hours provided by PGHC Finance Department.

PGHC's Cardiovascular Payer Mix - FY 2012



Source: PGHC APR DRG FY12 Report based on cases

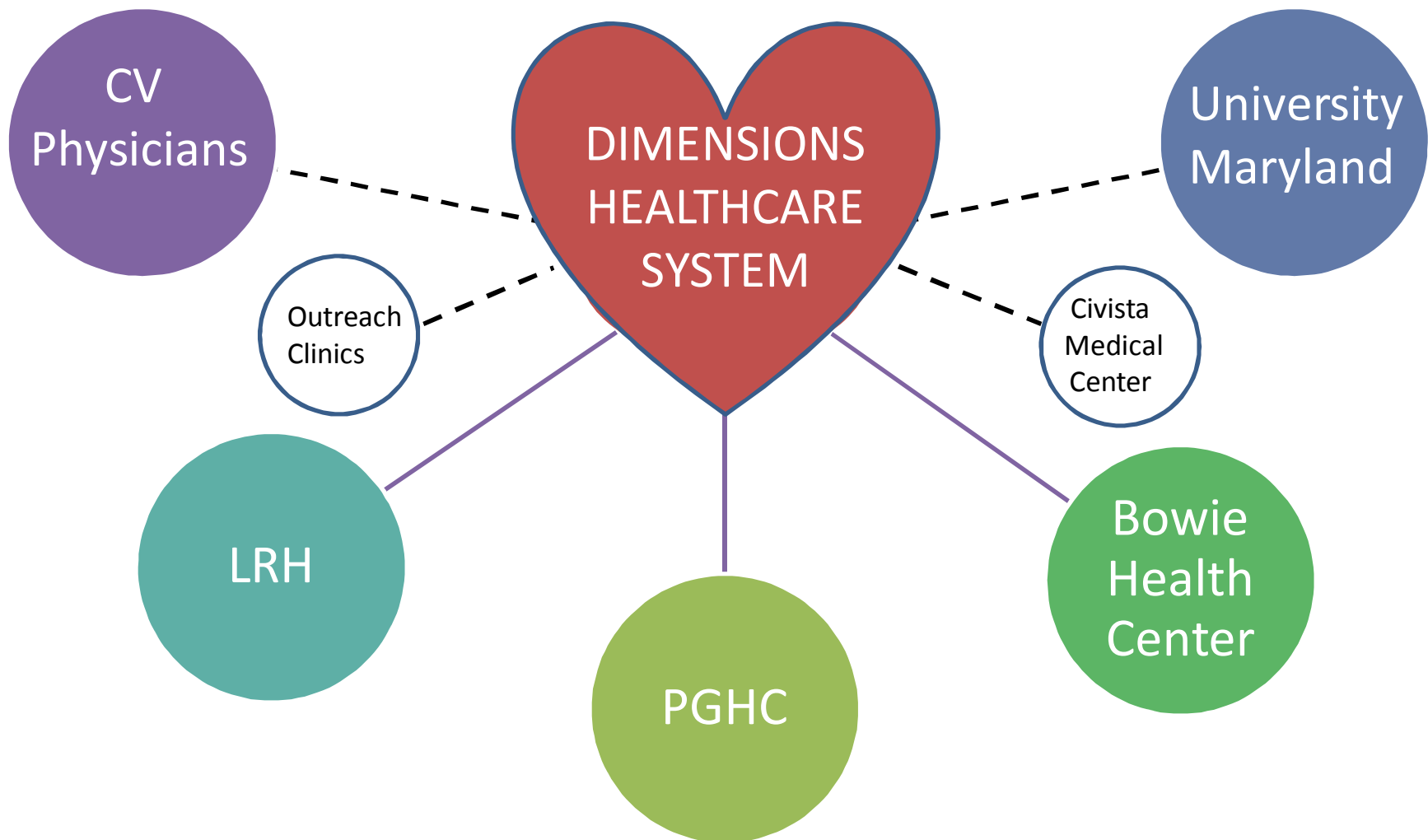


System Focused Cardiovascular Program Vision, Goals, and Strategies



Proposed Vision for the Cardiovascular Program is:

“ To become *the preferred* Cardiovascular service provider among Prince George’s County residents and physicians through a well coordinated and collaborative regional approach among PGHC, LRH, Bowie Health Center, and aligned CV physicians; while, establishing PGHC as a true *Cardiovascular Center of Excellence.*”

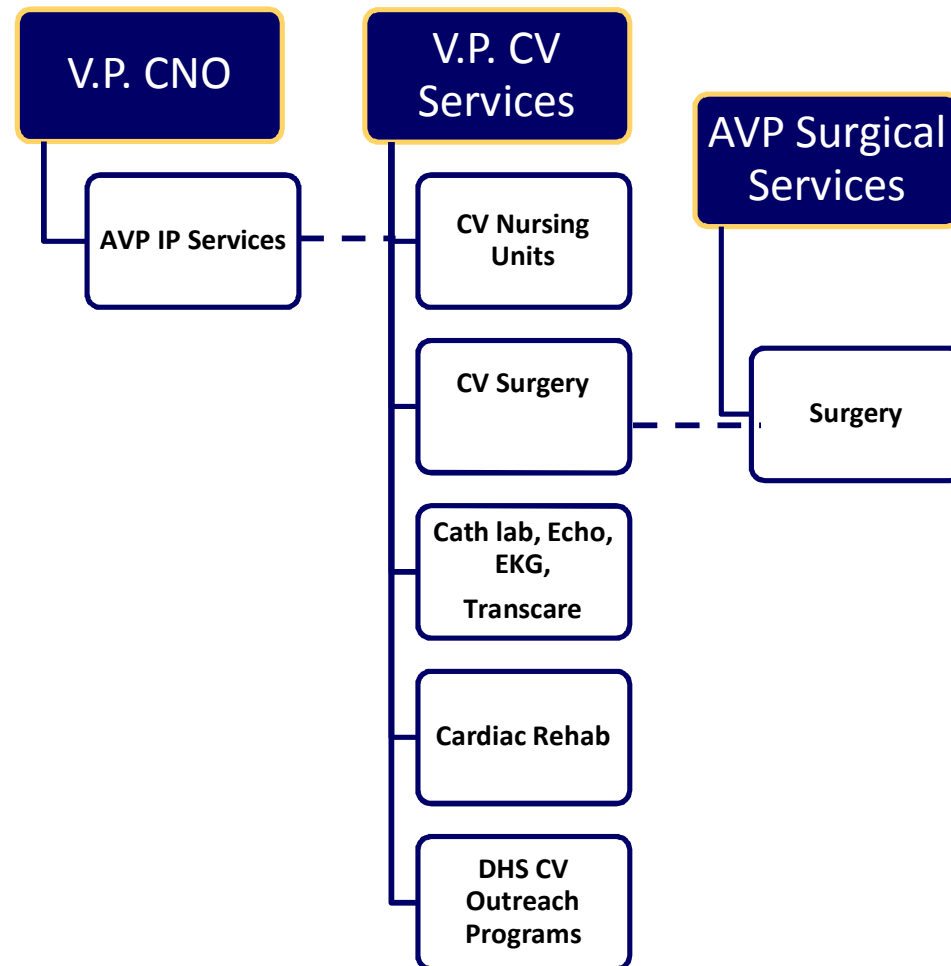


Goals / Critical Factors to Achieve Vision

- High Quality Patient Care Services
- Re-building Confidence in Cardiovascular Program
- Improved Access / Cardiovascular Health
- Alignment and Collaboration
- Operational Efficiency / Financial Performance
- Organization / Leadership / Accountability

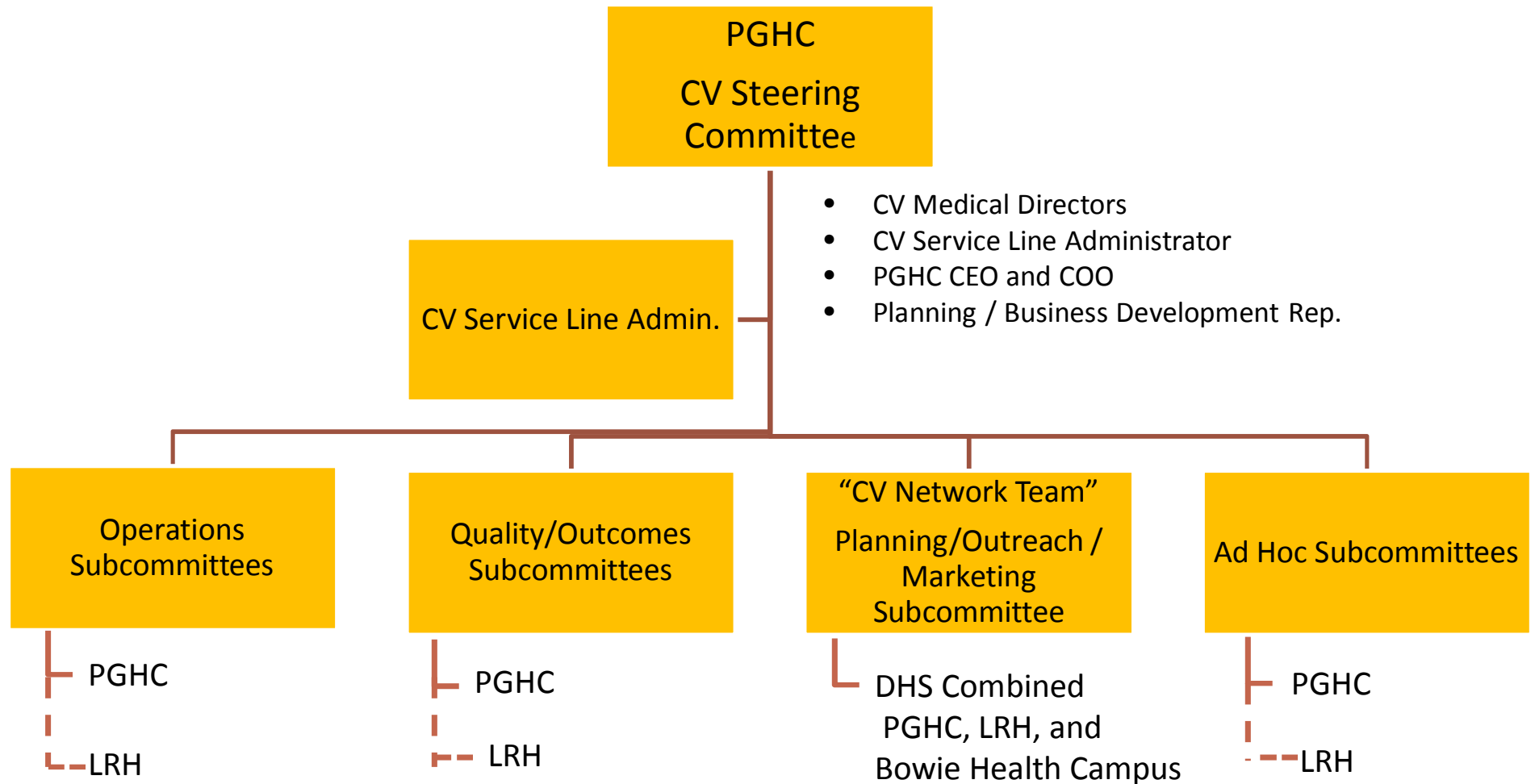
1. Leadership and Accountability
2. Regional Development / Access Improvement / Physician Alignment
3. Cardiovascular Program Specific Marketing
4. Payers
5. Maryland Health Care Commission Regulatory Compliance

PGHC CV Service Line Organization Structure (example)



- - - Denotes Matrix reporting

CV Program - Collaborative Committee Structure



--- Denotes sharing of information

1. DHS will take a proactive approach and collaborative
2. Establish 3-5 Cardiovascular outreach satellite clinics/offices by 2017

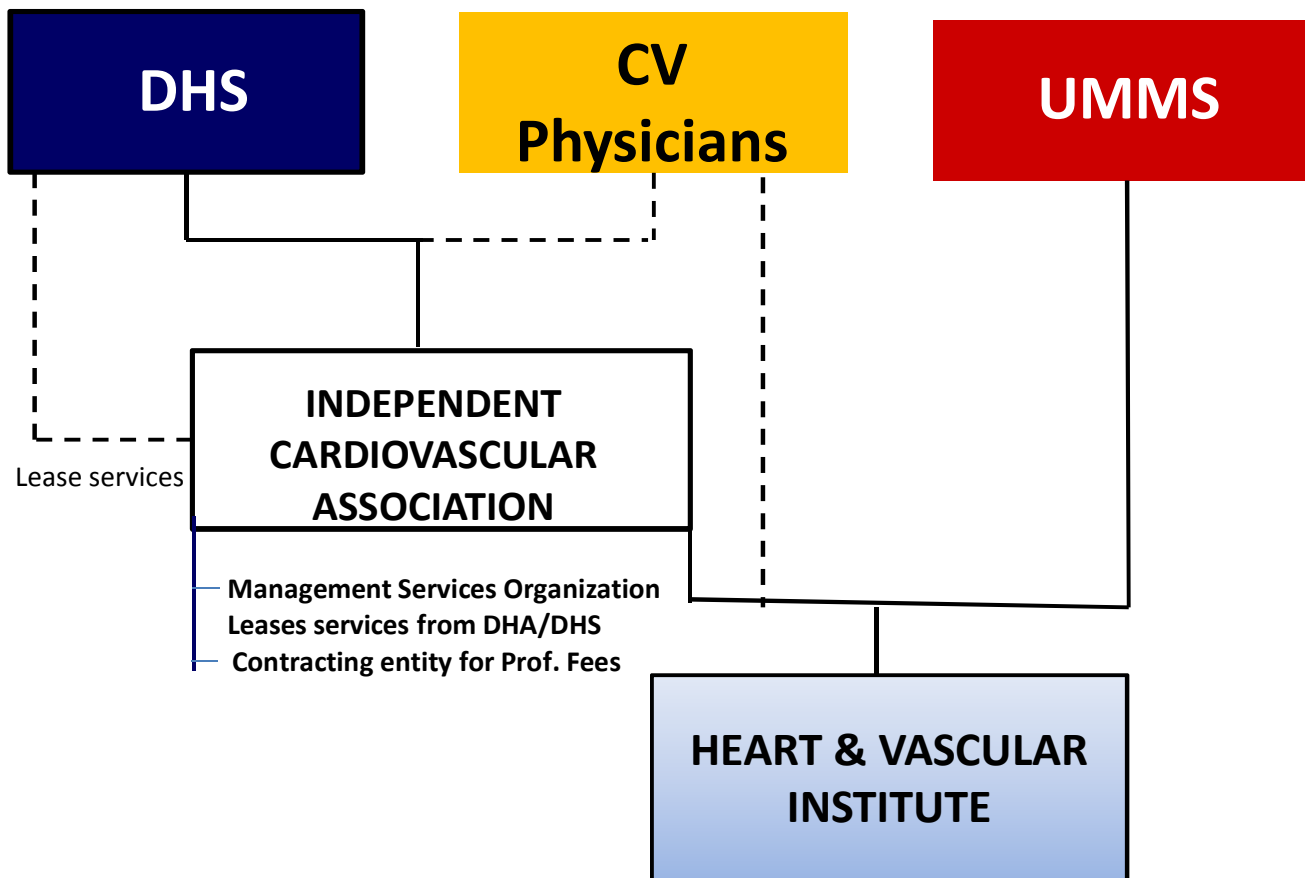
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3. Develop an Outreach Plan
4. Cardiology Access Improvement - Expand availability of cardiologists to improve access through a variety of methods:

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5. Continue to expand PCP / IM base.
6. Establish regular dialogue with UMMS, Civista Medical Center, UM School of Medicine, and DHS physicians.

Organizational Structure Independent Cardiovascular Association (Example)



Regional Development Strategies - Cost Estimates

	FY2013	FY2014	FY2015	FY2016	FY2017
Marketing	50,000	200,000	150,000	150,000	100,000
Consulting/Legal Fees	125,000	115,000	75,000	125,000	25,000
<u>Development / Outreach / Phys.</u>					
<u>Alignment</u>					
CV Physician Organization Development		-	100,000	100,000	100,000
CV Call Center		80,000	80,000	80,000	80,000
Outpatient Heart & Vascular Center (TBD)		-	-	-	-
Formal Heart & Vascular Screening Program		75,000	75,000	75,000	75,000
Outreach Development Start-Up		50,000	100,000	50,000	50,000
CV Physician Recruitment / Income Gur.	35,000	50,000	100,000	100,000	100,000
Cardiology Prof. Fee Stipend Program		180,458	743,485	1,148,684	1,577,527
Medical Directorships	300,000	307,500	315,188	323,067	331,144
Total		1,057,958	1,738,673	2,151,752	2,438,671

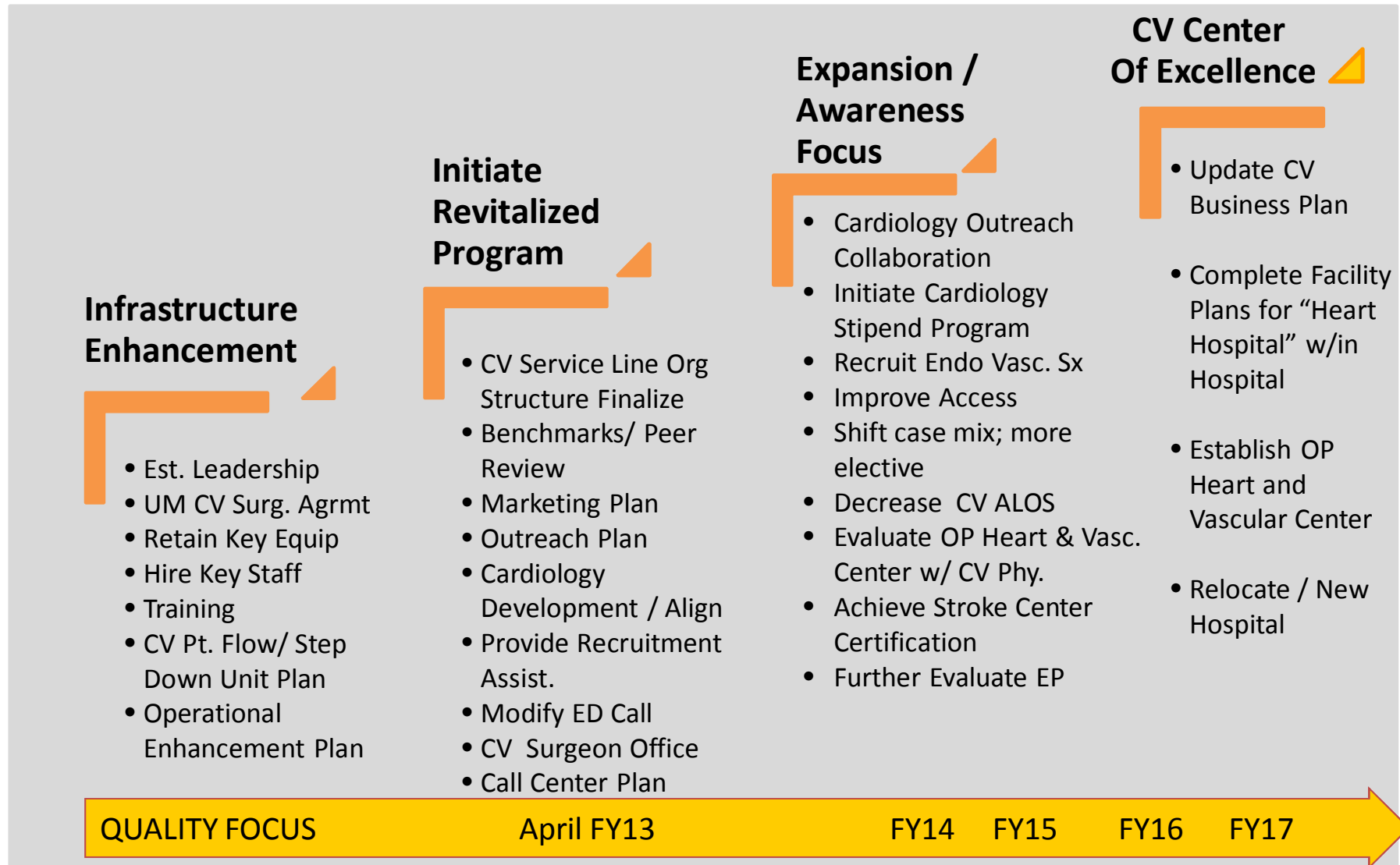


Prince George's Hospital Center Strategies

Operational / Infrastructure

Quality / Performance Improvement

Cardiovascular Physician Collaboration And Alignment



PGHC - Key Incremental Staffing Plan

CV SURGERY STAFFING	FY13	FY14	FY15
Hire Surgical Assist	1		
Train existing SA PA for back-up			
CV Data Coordinator			0.5
Hire Replacement NP for post care	1		
Hire CV RN	1		
CV Surgery Team Training			
Train 2-3 OR Techs			
ADMINISTRATION			
Hire CV Service Line V.P./ Assoc. VP	1		
CV Clinical Nurse Specialist -Education	1		
Contingency for Premium Pay	5%		
Cath Lab			
CV Data Coordinator	1		
RN	0.5		
Trans care			
RN		0.72	
Nursing			
CV Nurse Training Program			
Respiratory Therapy Tech ICU		1	
Phlebotomist		1	
Case Manager		1	

PGHC - CV Surgery Capital Plan - \$1.3 million

AREA / DEPT.	CURRENT	ACTION PLAN
ANESTHESIA		
Transport Monitor - Anesthesia	not dedicated	Dedicate to CV
TEE Probe - anesthesia *	not dedicated	Dedicate
OPERATING ROOMs		
Cardiac rooms	2; 1 dedicated	No changes needed; rooms are large
Electrosurgery Unit	12; need replacement	Upgrade 4ea /yr
OR Lighting	12 ; replacement needed	Replacement in process
OR Table	2; need replacement	For Cardiac Rm
Defibrillators	2; replacement in process	Replacement in process
Blanket/Fluid Warmer	4 will need replacement	2-FY2014, 2-FY2015
Fluid Warmer	0	2 being purchased
Slush Machine	0	2 being purchased
PERFUSION		
Cell Saver machine	4- replacement needed	4- replace FY13
Heart Lung Machine	2 - replacement needed	1- FY13; 1 FY14
Perfusion Documentation System	0	1- FY13
Intra Aortic balloon Pump	4- will need replacement	2 for FY 2013, 2-FY2014
ECMO Machine	0	
STS Database	Do not have	Will purchase; maintain yr membership
TEG 5000 Analyzer		
CENTRAL SUPPLY		
CELL Saver machine	4- will need replacement	4- replace FY14

PGHC - Cardiology Capital Plan - \$1.6 million

AREA / DEPT.	CURRENT	ACTION PLAN
Transcare		
Central Monitoring (10 beds)	10 beds not centrally monitored	add central monitoring
CATH LAB		
Electrophysiology Mapping	do not have	purchase FY13
Cath Lab 2 Upgrade	2 ; 1 near end of life	replace FY14
Charging System Interface	do not have	purchase FY13
NON-INVASIVE TESTING		
Xcelera Storage Upgrade	MIS working with new ECHO	
ECHO Machine	1 new replacement 11/12/12	completed
Remote Access for ECHO Reading	does not exist; why phys dissatisfied	purchase FY13
Reporting Software	does not exist; why phys dissatisfied	purchase FY13

1. Further evaluate feasibility of establishing a formal Chest Pain Evaluation Clinic and protocols.
2. Evaluate JV opportunities with

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 to provide extended CCTA services
3. Re-evaluate cardiology and vascular call schedule / referral list for unassigned patients; physicians to be board certified and on staff at PGHC or LRH
4. Establish process to follow-up with patients referred to a cardiologists to ensure appointment was made; also, forward patient referral information to cardiology office

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5. Expand Cardiology outpatient office coverage; Evaluate office needs; [REDACTED]
[REDACTED] consider developing a collaborative Outpatient CV Center to include cardiac rehab, full-time cardiology office coverage, CV surgeon office/clinic, and vascular physician
6. Expand PCP/IM base
7. Work with Prince George's County Health Department to improve approval process for transferring Medicaid patients to PGHC



Financial Summary

Volume:

- Inpatient Cardiovascular (CV) cases are projected as follows:

	FY2013	FY2014	FY2015	FY2016	FY2017
Cardiac Surgery	20	115	200	250	300
Cardiac Arrhythmia	156	181	210	237	273
Cardiology	800	852	947	1,040	1,068
Interventional Cardiology	188	233	272	298	357
Vascular	69	72	85	98	132
Vascular Surgery	129	155	219	239	245
Total	1,363	1,607	1,933	2,163	2,374

- The financial proforma does not include cases related to patient overflow or non-CV patients admitted to CV units.
- Observation and Outpatient ancillary volumes were estimated based on historical (FY2012) experience.

Revenue:

- FY2012 average charges, adjusted for HSCRC compliance impacts, are used to estimate a charge per case for each Inpatient Cardiac service.
- FY2012 actual rate/RVU is used to estimate Observation and Outpatient ancillary service revenue.
- The HSCRC 85% variable cost factor is applied to service line volume growth for both Inpatient and Outpatient charges.
- Contractuals, Bad Debt, and Charity Care were estimated based on PGHC's FY2013 budget.
- Cardiac Surgery Part B Collections include all professional fees for the Cardiac Surgeons (surgeries and office visits).

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Expense:

- Nursing Unit (including Observation) and OR Staffing assumptions were determined based on projected patient days and current patient to nurse staffing requirements at PGHC.
- Staffing required for Outpatient ancillary services were estimated based on the budgeted FTE to budgeted volumes relationship. This ratio was applied to the projected volumes as reflected in the financial proforma.
 - A 60% expense variability factor is applied to incremental expenses related to volume growth for FY2014 - FY2017.
- Physician Salary expense includes current PGHC Cardiac physician costs as well as incremental cost as determined by the business plan.
- Incremental staffing requirements (clinical and administrative) are based on staffing needs as outlined in the business plan.

Expense:

- Medical Supplies and Drugs expense were estimated based on PGHC's FY2012 cost-to-charge ratio.
- Overhead costs are estimated at 40% of Direct Expenses, including Physician and Administration salaries and fringe benefits.
- Incremental capital requirements as provided by PGHC. It is assumed the total cost of the capital requirements over the 5-year period will be financed at 7.5% in January 2013.
- The initial working capital requirement is assumed to be equal to 90 days of the incremental Net Patient Revenue from FY2012 to FY2013. This amount is assumed to be borrowed in the first year (FY2013).
- Marketing, consulting, development, and program outreach costs as estimated by the business plan.

Cardiovascular Program Business Plan Proforma

Sources & Uses

Sources:

Debt (Financed @ 7.5%) ⁽¹⁾	\$ 5,259,873
Total Sources	<u>\$ 5,259,873</u>

Uses:

Incremental Equipment/Rennovations ⁽²⁾	\$ 3,560,746
Working Capital ⁽²⁾	<u>1,699,128</u>
Total Uses	<u>\$ 5,259,873</u>

Notes (1): Dimensions' estimated cost of capital.

(2): See Schedules 10 and 11.

CV 5-Year Business Plan Proforma

	Estimated FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
CV Cases	1,299	1,363	1,607	1,933	2,163	2,374
Gross Regulated Charges						
Inpatient	\$ 24,632,158	\$ 27,115,160	\$ 36,425,438	\$ 46,844,942	\$ 53,064,164	\$ 60,160,660
Outpatient	6,348,881	6,927,203	8,518,169	9,897,695	10,708,615	11,705,244
Total Regulated Charges	30,981,039	34,042,363	44,943,607	56,742,637	63,772,778	71,865,904
CV Surgeon Professional Fee Charges	-	-	809,600	1,408,000	1,760,000	2,112,000
Total Gross Charges	30,981,039	34,042,363	45,753,207	58,150,637	65,532,778	73,977,904
Deductions from Revenue						
Contractuals	3,750,469	4,121,063	5,440,734	6,869,088	7,720,136	8,699,864
Charity Care	2,873,332	3,157,255	4,168,289	5,262,589	5,914,598	6,665,194
Bad Debt	1,776,462	1,951,999	2,577,080	3,253,640	3,656,750	4,120,813
Professional Fee Allowances	-	-	566,720	985,600	1,232,000	1,478,400
Professional Fee Refunds	-	-	1,500	1,500	1,498	1,500
School of Medicine Assessments	-	-	35,014	60,893	76,116	91,340
Subtotal: Deductions	8,400,264	9,230,317	12,789,337	16,433,310	18,601,098	21,057,111
Net Patient Revenue	\$ 22,580,776	\$ 24,812,046	\$ 32,963,870	\$ 41,717,327	\$ 46,931,680	\$ 52,920,793
Direct Variable Expenses						
Clinical Staff - Salaries & Benefits						
Unit Staffing	6,835,866	6,971,446	8,188,547	9,904,379	10,825,368	11,346,129
OR Staff	546,921	724,260	995,838	1,130,337	1,212,073	1,285,496
O/P Staffing	930,260	976,525	1,048,731	1,130,850	1,206,835	1,280,373
Incremental Staffing Requirement	-	544,303	885,331	955,564	979,453	1,003,939
Premium Pay Contingency (5%)	-	460,827	555,922	656,057	711,186	745,797
Subtotal: Salaries & Benefits	8,313,047	9,677,360	11,674,369	13,777,187	14,934,915	15,661,735
Medical Supplies & Drugs	4,899,058	5,526,886	7,617,747	9,744,969	11,002,197	12,630,870
Total Direct Variable Expenses	13,212,105	15,204,246	19,292,115	23,522,157	25,937,112	28,292,605
Contribution Margin	\$ 9,368,671	\$ 9,607,800	\$ 13,671,754	\$ 18,195,170	\$ 20,994,568	\$ 24,628,188
Direct Fixed Expenses						
Fixed Salaries & Benefits						
Physician	1,658,500	1,871,500	2,863,970	3,542,835	4,015,519	4,513,532
Service Line Administration	-	127,500	261,375	267,909	274,607	281,472
Training	-	17,500	-	-	-	-
Malpractice						
CV Surgeon Malpractice (Incremental)	-	-	38,500	39,463	40,449	41,460
CV Surgeon Malpractice (Current)	97,500	100,000	102,500	105,063	107,689	110,381
Hospital Malpractice	80,708	82,778	84,847	86,968	89,142	91,371
CV Surgeon Office	-	-	87,486	133,634	149,018	158,314
Marketing Expense	-	50,000	200,000	150,000	150,000	100,000
Consulting/Legal Fees	-	125,000	115,000	75,000	125,000	25,000
Program Outreach & Physician Development Costs	-	-	205,000	355,000	305,000	305,000
Contingency	-	135,000	306,500	396,063	398,689	371,381
Incremental Capital Expense						
Interest	-	190,670	377,482	373,343	368,904	364,143
Depreciation	-	133,113	648,994	670,594	618,761	499,481
Total Direct Fixed Expenses	1,836,708	2,833,061	5,291,654	6,195,872	6,642,778	6,861,536
Direct Margin	\$ 7,531,963	\$ 6,774,739	\$ 8,380,100	\$ 11,999,299	\$ 14,351,790	\$ 17,766,652
	33.36%	27.30%	25.42%	28.76%	30.58%	33.57%
Overhead Costs @ 40% of Direct Expenses	5,948,242	6,881,298	8,966,984	10,933,161	12,090,895	13,235,044
Net Income	\$ 1,583,721	\$ (106,559)	\$ (586,884)	\$ 1,066,138	\$ 2,260,895	\$ 4,531,609
	7.01%	-0.43%	-1.78%	2.56%	4.82%	8.56%

Payback Period & ROI

Payback:

<u>Year</u>	<u>Debt - Ending Balance</u>	<u>Cash Flow⁽¹⁾</u>	<u>Adjusted Total</u>
1 FY2013	\$ 5,206,646	\$ 26,554	\$ 5,180,092
2 FY2014	5,149,559	88,664	5,060,894
3 FY2015	5,088,333	1,825,397	3,262,936
4 FY2016	5,022,668	4,705,052	317,616
5 FY2017	4,952,243	9,736,142	(4,783,899)

Payback Period	4 years
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Return on Investment:

<u>Year</u>	<u>Cash Flow⁽¹⁾</u>
FY2013	\$ 26,554
FY2014	62,110
FY2015	1,736,732
FY2016	2,879,656
FY2017	5,031,090
Average Annual Cash Flow	<u>\$ 1,947,228</u>
Investment	
Incremental Capital	\$ 3,560,746
Working Capital	<u>1,699,128</u>
Total Investment	<u>\$ 5,259,873</u>

Average Annual Rate of Return	37%
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Note (1): Cash Flow equals Net Income plus Depreciation.

	Proforma FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Baseline (85% Variable Cost Factor):						
Direct Margin	\$ 7,531,963	\$ 6,774,739	\$ 8,380,100	\$ 11,999,299	\$ 14,351,790	\$ 17,766,652
Net Income	\$ 1,583,721	\$ (106,559)	\$ (586,884)	\$ 1,066,138	\$ 2,260,895	\$ 4,531,609
60% Variable Cost Factor:						
Direct Margin	\$ 7,531,963	\$ 6,774,739	\$ 8,072,006	\$ 10,201,736	\$ 10,629,195	\$ 12,546,782
Net Income	\$ 1,583,721	\$ (106,559)	\$ (857,635)	\$ (509,774)	\$ (999,944)	\$ (24,786)
20% Reduction to Baseline Volumes @ 85% Variable Cost Factor:						
Direct Margin	\$ 7,531,963	\$ 3,795,340	\$ 5,154,731	\$ 8,397,697	\$ 9,835,103	\$ 12,764,732
Net Income	\$ 1,583,721	\$ (2,309,161)	\$ (2,846,205)	\$ (1,119,599)	\$ (844,666)	\$ 1,156,030

Estimated Payor Mix Impact – Cardiac Surgery

	FY2009		Projected	Est. PGHC
	PGHC	DC	Payor Mix	Payor Mix
				Change
Cardiac Surgery Cases	22	379	300	278
Payor Mix:				
Medicare	31.8%	36.7%	36.3%	4.5%
Commercial	4.5%	34.0%	31.9%	27.3%
Medicaid	18.2%	12.4%	12.8%	-5.4%
No Charge	0.0%	0.3%	0.2%	0.2%
Other Government Payment	0.0%	0.3%	0.2%	0.2%
Blue Cross National Capital Area	13.6%	12.7%	12.7%	-0.9%
HMO	22.7%	0.0%	1.7%	-21.1%
Medicaid - HMO	9.1%	0.0%	0.7%	-8.4%
Self Pay	0.0%	1.3%	1.2%	1.2%
Unknown	0.0%	1.3%	1.2%	1.2%
Workmans Compensation	0.0%	1.1%	1.0%	1.0%
Total	100%	100%	100%	0%

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- Approval of Cardiovascular Business Plan
- Timing of UM CV Surgeon Formal Participation
- CV Physician Meeting to review CV Business Plan

MARKET ASSESSMENT SUMMARY

PRINCE GEORGE'S COUNTY IS YOUNGER THAN MARYLAND AND THE U.S. OVERALL. HOWEVER THE COUNTY IS PROJECTED TO HAVE A HIGHER GROWTH RATE OF THE OVER 65 POPULATION COMPARED TO MARYLAND AND U.S.; THUS INDICATING FUTURE INCREASED DEMAND FOR CV SERVICES.

**CARDIOVASCULAR AGE
DISTRIBUTION**

	2011 Pop	AGED 45-64 Yrs	AGED 65+	AGED 45+
PRINCE GEORGE'S	844,656	26.5%	10.1%	36.7%
CHARLES	145,599	27.2%	9.8%	37.0%
CALVERT	91,332	30.6%	11.1%	41.7%
ST. MARY'S	106,241	26.5%	10.6%	37.1%
ANN ARUNDEL	531,704	28.0%	12.3%	40.3%
MARYLAND	5,805,777	27.4%	12.7%	40.0%
U.S.	310,650,750	26.0%	13.3%	39.3%

5-Year Age Growth (Aged 45+)

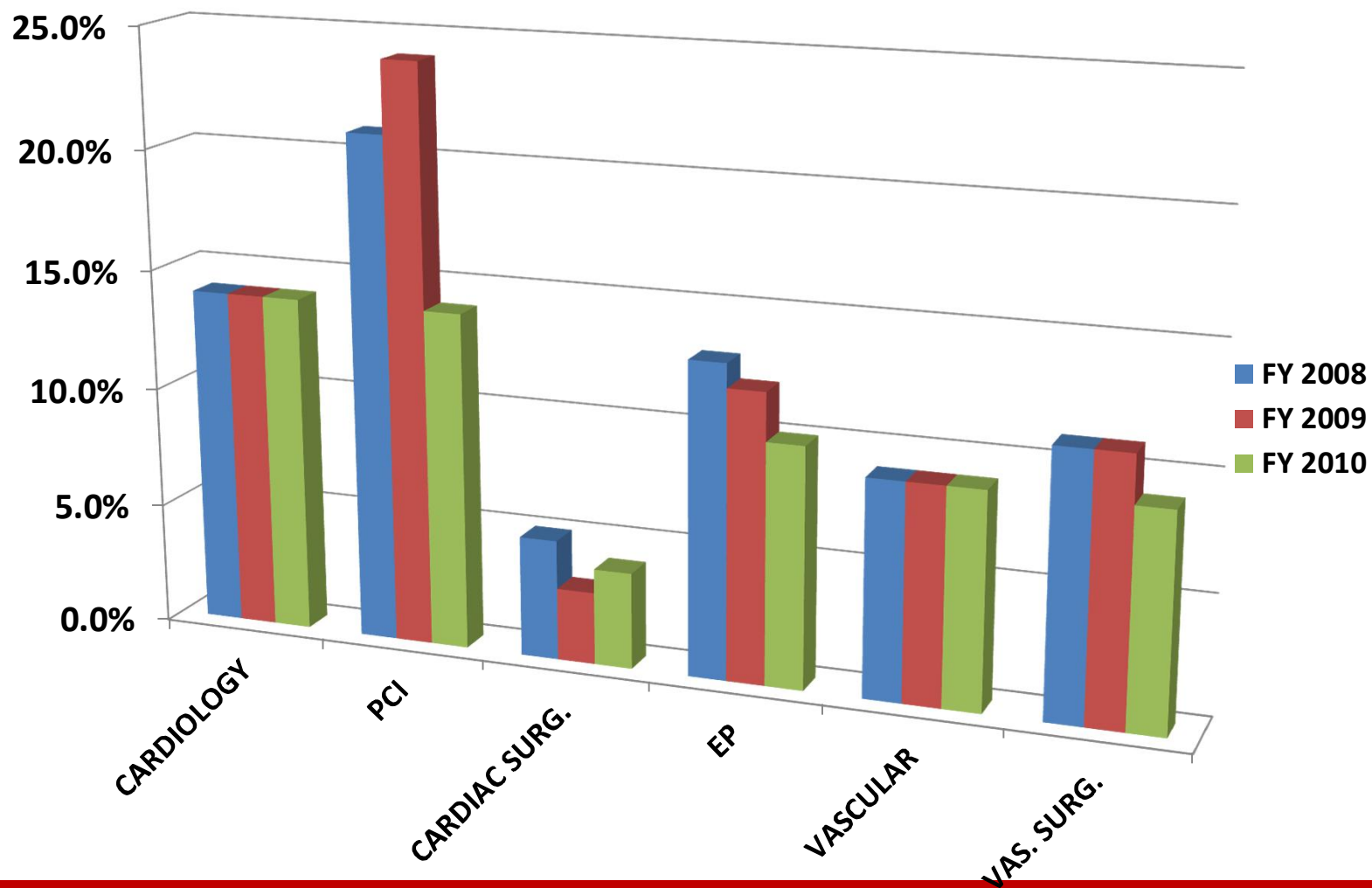
County	AGED 45-64		AGED 65+		AGED 45+
	PROJ. 2016	5 YR. GROWTH RATE	PROJ. 2016	5 YR. GROWTH RATE	5 YR. GROWTH RATE
PRINCE GEORGE'S	220,508	2.5%	105,248	22.9%	8.1%
CHARLES	44,455	12.2%	18,091	26.6%	16.0%
CALVERT	30,575	9.4%	13,046	29.2%	14.7%
ST. MARY'S	30,865	9.8%	14,132	25.1%	14.2%
ANN ARUNDEL	152,911	2.8%	78,826	20.4%	8.2%
MARYLAND	1,642,380	3.4%	866,515	17.7%	7.9%
U.S.	83,933,893	3.9%	47,902,230	15.9%	7.9%

REGIONAL MARKET SHARE – CARDIAC SURGERY

	PRINCE GEORGE'S (FY10)		ST. MARY'S (FY10)		CHARLES (FY10)		CALVERT (FY10)		TOTAL
PGHC	20	4%	0	0%	0	0%	0	0%	20
WHC	254	46%	66	75%	70	58%	58	72%	448
WAH	153	28%	0	0%	4	3%	12	15%	169
GWUH	32	6%	14	16%	36	30%	2	2.5%	84
UMMC	8	1%	2	2%	2	2%	2	2.5%	14
JH	17	3%	2	2%	2	2%	3	4%	24
OTHER	70	12%	4	5%	6	5%	4	5%	84
TOTAL	554		88		120		81		843

Note: Cardiac surgery includes cardiac valve, coronary artery bypass and other cardiothoracic procedures; same procedure categories as MHCC State Health Plan definition.

PGHC'S CV MARKET SHARE - PRINCE GEORGE'S COUNTY



- **REGION** (Prince George's, St. Mary's, Charles, Calvert Counties)
 - Heart Surgery Volumes
 - St. Mary's 15% decrease from 2008 to 20110
 - Charles 11% increase
 - Calvert 20% decrease
 - Prince George's 4% decrease; approx. same past 2 yrs
 - Heart Surgery Market Share
 - WHC leading provider with relatively consistent market share
 - GWUH has a strong presence in Charles County with approx. 30% market share
 - ~~WAH~~ **WHC** [correct typo] leading provider in Prince George's County with approx. 45% market share past 2 years; low yield from other counties in region
 - Approximately 52% of Prince George's County heart surgeries were performed at D.C. hospitals in 2010; a 5% decrease since 2008

- **REGION** (Prince George's, St. Mary's, Charles, Calvert Counties) *
 - PCI volumes (IP only) - decreasing trends stabilizing
 - St. Mary's 3.8% decrease from 2008 to 2010
 - Charles 7.6% decrease
 - Calvert 28% decrease
 - Prince George's 7% increase from 2008-2010
 - PCI Market Share
 - WHC dominant provider in St. Mary's (83%), Charles (54%), and Calvert (62%); increasing market share in Prince George's County from 21% in 2008 to 26% in 2010
 - WAH dominant provider for Prince George's County; market share relatively constant; approximately 44% in 2010.
 - PGHC's market share has decreased from 22% in 2008 to 15% in 2010
 - Approximately 27% of Prince George's County's IP PCI procedures were performed at D.C. hospitals in 2010; a 3% increase from 2008

PRINCE GEORGE'S COUNTY RESIDENTS EXPERIENCED HEART SURGERY AT A RATE APPROXIMATELY 40% LOWER THAN THE U.S. POPULATION

COMPARISON OF CARDIOVASCULAR USE RATE CALCULATIONS (PER 1,000 POPULATION)

PROCEDURE / SOURCE	Claritas 2011 Estimates Prince George's County	Nat'l Hospital Discharge Summary Report 2010 (Nat'l Rate)	AHA 2012 Report (2009 Data) Nat'l Rate	Prince George's County Actual Experience Rate 2010	Use Rate Applied to 2016 Pop. Proj. Prince George's County
PCI	2.69	2.02	2.44	1.72	1.99
Cardiac Surgery	1.02	1.09	1.25	0.64	.87

Note: Cardiac Surgery includes CABG, Valves, and "other" major cardiothoracic procedures

Sources: Prince George's actual experience rate calculated from combined FY2010 HSCRC and District of Columbia Hospital Inpatient Database Reports.

MARKET DEMAND VOLUME PROJECTION METHODOLOGY

1. National use-rates from the 2010 National Hospital Discharge Data Summary Report and other sources such as the American Heart Association 2012 report (2009 data) by key age cohorts were compared to establish a benchmark for future projections.
2. The 2010 actual use-rates for Prince George's County was calculated and compared to age adjusted national nominal rates for Prince George's County as well as county estimates by Claritas.
3. The national age-adjusted rates were modified if a large variance existed when compared to Prince George's county experienced use rates. The modified use rates were then applied to Prince George's County 2016 age-cohort population projections for each sub-service line to determine Total Market Demand/Volume Potential for 2016.
4. Annual market volume potentials for FY2013 – FY2017 were calculated by applying an estimated annual growth factor that would result in the 2016 Total Market Demand/Volume potential.
5. Historical market share trends were analyzed. Assumptions for PGHC's future market capture potential were made for each year and applied to the estimated annual Total Market Demand Potential.

Adult Cardiac Surgery Definition Summary *	ICD-9 Procedure Codes *	Corresponding MS-DRGs
Closed Heart Surgery – cardiac surgery that does not involve use of heart lung machine (e.g. thoracic aneurysm repair, valvulotomy, pulmonary artery banding, resection of coarctation of aorta)	35.00-35.04; 35.52, 37.12, 37.31, 37.4	Other cardiothoracic procedures: 228 – 230 Note: There are some Aneurysm repairs coded under DRGs 237 and 238 (Vascular Surgery) that MHCC classifies as closed heart surgery.
Coronary Artery Bypass Graph (CABG) – open heart surgery in which a piece of saphenous vein or internal mammary artery is used to bypass blocked section	36.10 - 36.19	Coronary artery bypass: 231 – 236
Open Heart Surgery – heart-lung machine cases (i.e., cardiopulmonary bypass), including minimally invasive procedures	35.10-35.51; 35.53-35.95, 35.98-35.99; 36.03; 36.10-36.20; 36.31; 36.91-36.99; 37.10-37.11; 37.32-37.33	Cardiac valves: 216 –221;

MS-DRG s Used for Volume Projections

CORRECT TYPOS

CV Service Line	MS-DRGs
Cardiac Arrhythmia (Electrophysiology)	258 – 259; 308 – 310; 215; 222 – 227 258 - 259; 308 – 310; 215; 222 – 227; 242-245; 260-262; 265
Cardiac Surgery	216 – 236; 265 216 – 221; 228-236
Cardiology	280 – 298; 302 – 305, 306 – 307; 311 – 316; 288 – 290 280 – 293; 296-298; 302-307; 311 – 316
Interventional Cardiology	246 - 251
Vascular	299 – 301, 294 – 295
Vascular Surgery	237 – 238, 34 – 3 ; 34 – 36; 239 – 241; 252 – 257; 263 – 264;

Note: MS-DRG 237 Major Cardiovascular Procedures w MCC or Thoracic Aortic Aneurysm Repair and MS-DRG 238 Thoracic Aneurysm Repair without MCC are Generally classified as Vascular Surgery. The Maryland State Health Plan describes certain aneurysm repairs as Closed Cardiac Surgery. With the advancements in endovascular Technologies (i.e., synthetic grafts) and training, these procedures are being performed more often by Endovascular/Vascular trained surgeons.

SOUTHERN MARYLAND REGION 2017 TOTAL CORONARY ARTERY DISEASE VOLUME POTENTIAL

County	Diagnostic Cath	PCI Patients	Cardiac Surgery Total
Prince George's	5,777	1,697	743
St. Mary's	774	252	112
Charles	1,058	309	146
Calvert	730	216	110
Region Total	8,340	2,438	1,044

Note: volume projections based on age adjusted use rates from National Hospital Discharge Survey. Projections were adjusted for low historical use-rates in Prince Georges' County (e.g. cardiac surgery).

MARKET CAPTURE ASSUMPTIONS FROM PRINCE GEORGE'S COUNTY

SUB – SERVICE LINE	2001 Actual	2010 Actual	FY13 Proj.	FY14 Proj.	FY15 Proj.	FY16 Proj.	FY17 Proj.
CARDIOLOGY	14%	14.0%	12.7%	13.5%	15.0%	16.5%	17.0%
INTERVENTIONAL CARDIOLOGY	31%	14.0%	13.0%	15.5%	17.5%	18.5%	21.0%
CARDIAC SURGERY	13%	4.0%	4.0%	19.0%	30.3%	34.8%	38.0%

Volume Projection Methodology – Market Capture Assumptions

CARDIAC SURGERY - Updated after conversations with UM CV Surgeons

Geographic Area	Annual Growth Rate	Projected FY13 Volumes	Projected FY14 Volumes	Projected FY15 Volumes	Projected FY16 Volumes	Projected FY17 Volumes	PGHC's FY2001 Interventional Cardiology Market Share	PGHC's FY2001 Cardiac Surgery Market Share	PGHC's FY2010 Interventional Cardiology Market Share	PGHC's FY2010 Cardiac Surgery Market Share	FY13 Projected Market Share	FY14 Projected Market Share	FY15 Projected Market Share	FY16 Projected Market Share
Prince George's County	8.0%	551	595	642	694	749	31%	13%	14.0%	4.0%	4.0%	19.0%	30.3%	34.8%
Charles County	4.5%	121	127	132	138	145	2% (2008)		1.6%	0.0%	0.5%	1.0%	3.0%	5.0%
Calvert County	6.0%	84	89	94	100	106	0.5% (2008)		0.0%	0.0%	1.0%	1.0%	1.5%	2.0%
St. Mary's County	4.0%	92	95	99	103	107	0.5%		0.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Interventional Cardiology - IP

Geographic Area	Annual Growth Rate	Projected FY13 Volumes	Projected FY14 Volumes	Projected FY15 Volumes	Projected FY16 Volumes	Projected FY17 Volumes	PGHC's FY2001 Interventional Cardiology Market Share	PGHC 2008 Market Share	PGHC 2009 Market Share	PGHC 2010 Market Share	FY13 Projected Market Share	FY14 Projected Market Share	FY15 Projected Market Share	FY16 Projected Market Share	FY17 Projected Market Share
Prince George's County	3.2%	1424	1470	1517	1565	1615	31%	13%	14.0%	4.0%	13.0%	15.5%	17.5%	18.5%	21.0%
Charles County	7.0%	205	220	235	252	269	2% (2008)		1.6%	0.0%	1.6%	1.8%	2.1%	2.5%	5.0%
Calvert County	4.8%	167	175	183	192	201	0.5% (2008)		0.0%	0.0%	0.0%	0.5%	0.7%	1.0%	2.0%
St. Mary's County	0.0%	240	240	240	240	240	0.5% (2008)		0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Volume Projection Methodology – Market Capture Assumptions

MEDICAL CARDIOLOGY

	Annual Growth Rate	Projected FY13 Volumes	Projected FY14 Volumes	Projected FY15 Volumes	Projected FY16 Volumes	Projected FY17 Volumes									
								PGHC 2008 Market Share	PGHC 2009 Market Share	PGHC 2010 Market Share					
Geographic Area		Market Potential													
Prince Georges County	0.30%	6298	6317	6336	6355	6374		14%	14.0%	14.0%	12.7%	13.5%	15.0%	16.5%	17.0%
Charles County	0.00%	1792	1792	1792	1792	1792		0.6%	0.5%	0.3%	0.3%	0.5%	0.5%	0.6%	0.6%
Calvert County	0.00%	988	988	988	988	988		0.5%	0.0%	0.0%	0.0%	0.0%	0.5%	0.6%	0.6%
St. Mary's County	0.00%	1973	1973	1973	1973	1973		0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%

CARDIAC ARRYTHMIA

	Annual Growth Rate	Projected FY13 Volumes	Projected FY14 Volumes	Projected FY15 Volumes	Projected FY16 Volumes	Projected FY17 Volumes		PGHC 2008 Market Share	PGHC 2009 Market Share	PGHC 2010 Market Share	FY13	FY14	FY15	FY16	FY17
Geographic Area		Market Potential													
Prince Georges County	11.00%	1379	1530	1699	1885	2093		13%	12.0%	10.0%	11.0%	11.5%	12.0%	12.0%	12.0%
Charles County	4.50%	367	383	401	419	437		1.7%	0.3%	0.3%	0.3%	0.4%	0.6%	1.2%	3.0%
Calvert County	2.00%	254	259	264	270	275		0.8%	0.0%	1.2%	1.2%	1.2%	1.5%	2.0%	3.0%
St. Mary's County	1.80%	367	374	381	388	395		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Volume Projection Methodology – Market Capture Assumptions

VASCULAR

	Annual Growth Rate	Projected FY13 Volumes	Projected FY14 Volumes	Projected FY15 Volumes	Projected FY16 Volumes	Projected FY17 Volumes		PGHC 2008 Market Share	PGHC 2009 Market Share	PGHC 2010 Market Share	FY13	FY14	FY15	FY16	FY17	
Geographic Area	Market Potential															
Prince Georges County	5.00%	767	805	845	887	932		9%	9.0%	9.0%	9.0%	9.0%	9.0%	10.0%	11.0%	14.0%
Charles County	5.00%	102	107	112	118	124		0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	1.0%
Calvert County	9.00%	58	63	69	75	82		0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
St. Mary's County	3.00%	83	86	89	91	94		0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

VASCULAR SURGERY

	Annual Growth Rate	Projected FY13 Volumes	Projected FY14 Volumes	Projected FY15 Volumes	Projected FY16 Volumes	Projected FY17 Volumes		PGHC 2008 Market Share	PGHC 2009 Market Share	PGHC 2010 Market Share	FY13	FY14	FY15	FY16	FY17
Geographic Area	Market Potential														
								11%	11.0%	9.0%	9.5%	11.0%	15.0%	16.0%	16.0%
Charles County	3.40%	235	243	251	259	268		0.00%	0.0%	0.0%	0.0%	0.5%	1.8%	2.0%	2.0%
Calvert County	3.40%	123	127	132	136	141		1.70%	0.0%	0.0%	0.0%	0.5%	0.7%	1.0%	1.0%
St. Mary's County	3.50%	175	181	187	194	201		1.10%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

PGHC Patient Volume Projections

CV Service Line	PGHC Actual FY11	PGHC Actual FY12	FY2013	FY2014	FY2015	FY2016	FY2017
Cardiac Arrhythmia	200	195	156	181	210	237	273
Cardiac Surgery	29	7	20	115	200	250	300
Cardiology	1,292	921	800	852	947	1,040	1,068
Interventional cardiology	217	183	188	233	272	298	357
Vascular	67	77	69	72	85	98	132
Vascular Surgery	137	140	129	155	219	239	245
Total Inpatient CV	1,942	1,523	1,363	1,607	1,933	2,163	2,374
Cardiac Observation Hours	23,278	47,899	51,030	56,134	57,256	57,829	58,407

Source: PGHC's St. Paul's MS-DRG Discharge Data Reports FY11 and FY12. Observation hours provided by PGHC Finance Department.