

MODIFIED
CERTIFICATE OF NEED APPLICATION
INTERMEDIATE CARE FACILITY

314 Grove Neck Road
Earleville, Maryland



CORRECTED EXHIBITS 1 & 2

Applicant: 314 Grove Neck Road OPCO, LLC
Original Application: March 27, 2015
Modified Application: May 18, 2015

EXHIBIT 1

CON TABLE PACKAGE FOR HOSPITAL APPLICATIONS

Name of Applicant: 314 Grove Neck Road OPCO, LLC

Date of Submission: 18-May-15

Applicants should follow additional instructions included at the top of each of the following worksheets. Please ensure all green fields (see above) are filled.

<u>Table</u>	<u>Table Title</u>	<u>Instructions</u>
Table A	Physical Bed Capacity Before and After Project	All applicants whose project impacts any nursing unit, regardless of project type or scope, must complete Table A.
Table B	Departmental Gross Square Feet	All applicants, regardless of project type or scope, must complete Table B for all departments and functional areas affected by the proposed project.
Table C	Construction Characteristics	All applicants proposing new construction or renovation must complete Table C.
Table D	Site and Offsite Costs Included and Excluded in Marshall Valuation Costs	All applicants proposing new construction or renovation must complete Table D.
Table E	Project Budget	All applicants, regardless of project type or scope, must complete Table E.
Table F	Statistical Projections - Entire Facility	Existing facility applicants must complete Table F. All applicants who complete this table must also complete Tables G and H.
Table G	Revenues & Expenses, Uninflated - Entire Facility	Existing facility applicants must complete Table G. The projected revenues and expenses in Table G should be consistent with the volume projections in Table F.
Table H	Revenues & Expenses, Inflated - Entire Facility	Existing facility applicants must complete Table H. The projected revenues and expenses in H should be consistent with the projections in Tables F and G.
Table I	Statistical Projections - New Facility or Service	Applicants who propose to establish a new facility, existing facility applicants who propose a new service, and applicants who are directed by MHCC staff must complete Table I. All applicants who complete this table must also complete Tables J and K.
Table J	Revenues & Expenses, Uninflated - New Facility or Service	Applicants who propose to establish a new facility and existing facility applicants who propose a new service and any other applicant who completes a Table I must complete Table J. The projected revenues and expenses in Table J should be consistent with the volume projections in Table I.
Table K	Revenues & Expenses, Inflated - New Facility or Service	Applicants who propose to establish a new facility and existing facility applicants who propose a new service and any other applicant that completes a Table I must complete Table K. The projected revenues and expenses in Table K should be consistent with the projections in Tables I and J.
Table L	Work Force Information	All applicants, regardless of project type or scope, must complete Table L.

TABLE A. BED CAPACITY BY FLOOR AND NURSING UNIT BEFORE AND AFTER PROJECT--EARLEVILLE

INSTRUCTION: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project.

Applicants should add columns and recalculate formulas to address any rooms with 3 and 4 bed capacity. See additional instruction in the column to the right of the table.

Before the Project						After Project Completion				
Service Location (Floor/Wing)	Current Licensed Beds	Based on Physical Capacity				Service Location (Floor/Wing)	Based on Physical Capacity			
		Room Count			Physical Bed Capacity		Room Count			Physical Bed Capacity
		Private	Semi-Private	Total Rooms			Private	Semi-Private	Total Rooms	
DETOX						DETOX				
	N/A	N/A	N/A	0	#VALUE!			10	10	17
				0	0				0	0
				0	0				0	0
				0	0				0	0
				0	0				0	0
SUBTOTAL Detox						SUBTOTAL Detox	0	10	10	17
RESIDENTIAL						RESIDENTIAL				
	N/A	N/A	N/A				5	10	15	32
TOTAL RESIDENTIAL						TOTAL RESIDENTIAL	5	10	15	32
Other (Specify/add rows as needed)				0	0	Other (Specify/add rows as needed)			0	0
TOTAL OTHER						TOTAL OTHER				
FACILITY TOTAL	0	0	0	0	0	FACILITY TOTAL	5	20	25	49

TABLE B. DEPARTMENTAL GROSS SQUARE FEET AFFECTED BY PROPOSED PROJECT--EARLEVILLE

INSTRUCTION: Add or delete rows if necessary. See additional instruction in the column to the right of the table.

DEPARTMENT/FUNCTIONAL AREA	Current	To be Added Thru New Construction Detox	To Be Renovated Detox	To Remain As Is Detox	To be Added Thru New Construction Residential	To Be Renovated Residential	To Remain As Is Residential	Total (Shared) After Project Completion
Gnd Floor Counseling								0
Gnd Floor Nursing								0
Gnd Floor Admissions								0
Gnd Floor Medical & Psychiatric								0
Gnd Floor Adjunctive/Ancillary (Yoga, Fitness, etc.)			2,081			2,775		4,856
Gnd Floor Administrative			898			1,197		2,095
Inpatient Rooms w/ bathrooms								0
Common Areas			600			801		1,401
Circulation			1,537			2,049		3,586
Building Mechanical/Electrical			1,196			1,595		2,791
Int & Ext. Wall Thicknesses			1,148			1,531		2,679
Gnd Floor Kitchen/Dining								0
1st Floor Counseling			2,559			3,413		5,972
1st Floor Nursing			212			282		494
1st Floor Admissions			534			713		1,247
1st Floor Medical & Psychiatric		102	127		136	169		534
1st Floor Adjunctive/Ancillary (Yoga, Fitness, etc.)								0
1st Floor Administrative		552	392		736	522		2,202
Inpatient Rooms w/ bathrooms		672	2,688		0	675		4,035
Common Areas		148	401		197	534		1,280
Circulation		430	2,054		573	2,739		5,796
Building Mechanical/Electrical								0
Int & Ext. Wall Thicknesses			1,307			1,743		3,050
1st Floor Kitchen/Dining			1,105			1,473		2,578
2nd Floor Counseling						0		0
2nd Floor Nursing			99			132		231
2nd Floor Admissions						0		0
2nd Floor Medical & Psychiatric						0		0
2nd Floor Adjunctive/Ancillary (Yoga, Fitness, etc.)						0		0
2nd Floor Administrative						0		0
Inpatient Rooms w/ bathrooms			1,528			2,038		3,566
Common Areas			42			57		99
Circulation			544			726		1,270
Building Mechanical/Electrical								0
Int & Ext. Wall Thicknesses			472			630		1,102
2nd Floor Kitchen/Dining								0
3rd Floor Counseling								0
3rd Floor Nursing								0
3rd Floor Admissions								0
3rd Floor Medical & Psychiatric								0
3rd Floor Adjunctive/Ancillary (Yoga, Fitness, etc.)								0
3rd Floor Administrative								0
Inpatient Rooms w/ bathrooms			477			636		1,113
Common Areas			56			75		131
Circulation			522			697		1,219
Building Mechanical/Electrical								0
3rd Floor Kitchen/Dining								0
Existing Wall Construction			147			196		343
Total		1,904	22,726		1,642	27,398	0	53,670

TABLE C. CONSTRUCTION CHARACTERISTICS--EARLEVILLE

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table C for each structure.

	DETOX NEW CONSTRUCTION	RESIDENTIAL NEW CONSTRUCTION	DETOX RENOVATION	RESIDENTIAL RENOVATION
BASE BUILDING CHARACTERISTICS	Check if applicable			
Class of Construction (for renovations the class of the building being renovated)*				
Class A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class D	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Type of Construction/Renovation*				
Low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excellent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Number of Stories				
*As defined by Marshall Valuation Service				
PROJECT SPACE	List Number of Feet, if applicable			
Total Square Footage	Total Square Feet			
Basement			7,460	9,948
First Floor	1,904	1,642	11,379	12,263
Second Floor			2,685	3,583
Third Floor			1,202	1,604
Fourth Floor				
Average Square Feet	1,904	1,642	5,682	6,850
Perimeter in Linear Feet	Linear Feet			
Basement			985.00	918.67
First Floor	147	229	346.00	1,198.00
Second Floor			0.00	674.00
Third Floor			0.00	325.00
Fourth Floor				
Total Linear Feet	147	229	1,331.00	3,115.67
Average Linear Feet	147	229	332.75	778.92
Wall Height (floor to eaves)	Feet			
Basement			10	10
First Floor	10	10	12	12
Second Floor			10.50	10.50
Third Floor			9	9
Fourth Floor				
Average Wall Height	10	10	10.38	10.38
OTHER COMPONENTS				
Elevators	List Number			
Passenger			1 elevator	1 elevator
Freight				
Sprinklers	Square Feet Covered			
Wet System	1,904	1,642	22,726	27,398
Dry System				
Other	Describe Type			
Type of HVAC System for proposed project	Water source heat pumps with central hydronic loop and some split systems.			
Type of Exterior Walls for proposed project	Wood frame, interior plaster finish, exterior brick veneer.			

Calculate average square feet of all floors

Calculate total linear feet of all floors
Calculate average linear feet of all floors

Calculate average wall height of all floors

TABLE D. ONSITE AND OFFSITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS-Earleville

INSTRUCTION: If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table D for each structure.

	NEW CONSTRUCTION COSTS DETOX	NEW CONSTRUCTION COSTS RESIDENTIAL	RENOVATION COSTS DETOX	RENOVATION COSTS RESIDENTIAL
SITE PREPARATION COSTS				
Normal Site Preparation				
Utilities from Structure to Lot Line				
Subtotal included in Marshall Valuation Costs				
Site Demolition Costs			\$35,777	\$47,703
Storm Drains				
Rough Grading			\$35,777	\$47,703
Hillside Foundation				
Paving			\$17,889	\$23,851
Exterior Signs			\$17,889	\$23,851
Landscaping			\$39,753	\$53,003
Walls				
Yard Lighting			\$26,833	\$35,777
Other: Curbs, hardscaping, site amenities.			\$44,722	\$59,629
Septic System			\$298,273	\$397,697
Subtotal On-Site excluded from Marshall Valuation Costs	\$0	\$0	\$516,913	\$689,215
OFFSITE COSTS				
Roads				
Utilities				
Jurisdictional Hook-up Fees				
Other (Specify/add rows if needed)				
Subtotal Off-Site excluded from Marshall Valuation Costs	\$0	\$0	\$0	\$0
TOTAL Estimated On-Site and Off-Site Costs <u>not</u> included in Marshall Valuation Costs	\$0	\$0	\$516,913	\$689,215
TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*	\$0	\$0	\$516,913	\$689,215

*The combined total site and offsite cost included and excluded from Marshall Valuation Service should typically equal the estimated site preparation cost reported in Application Part II, Project Budget (see Table E. Project Budget). If these numbers are not equal, please reconcile the numbers in an explanation in an attachment to the application.

TABLE E. PROJECT BUDGET--Earleville

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. See additional instruction in the column to the right of the table.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.a as a use of funds and on line B.8 as a source of funds

		DETOX	RESIDENTIAL	Total
A.	USE OF FUNDS			
1.	CAPITAL COSTS			
a.	Land Purchase	\$3,257,143	\$4,342,857	\$7,600,000
b.	New Construction			
(1)	Building			\$0
(2)	Fixed Equipment			\$0
(3)	Site and Infrastructure	\$516,912	\$689,216	\$1,206,128
(4)	Architect/Engineering Fees			\$0
(5)	Permits (Building, Utilities, Etc.)			\$0
	SUBTOTAL	\$516,912	\$689,216	\$1,206,128
c.	Renovations			
(1)	Building	\$1,353,150	\$1,804,199	\$3,157,349
(2)	Fixed Equipment (not included in construction)	\$0	\$0	\$0
(3)	Architect/Engineering Fees	\$61,776	\$82,369	\$144,145
(4)	Permits (Building, Utilities, Etc.)	\$43,523	\$58,030	\$101,553
	SUBTOTAL	\$1,458,449	\$1,944,598	\$3,403,047
d.	Other Capital Costs			
(1)	Movable Equipment	\$184,800	\$246,400	\$431,200
(2)	Contingency Allowance	\$167,798	\$223,730	\$391,528
(3)	Gross interest during construction period	\$0	\$0	\$0
(4)	Legal Fees	\$107,143	\$142,857	\$250,000
(5)	Property Due Diligence	\$21,429	\$28,571	\$50,000
	SUBTOTAL	\$481,170	\$641,558	\$1,122,728
	TOTAL CURRENT CAPITAL COSTS	\$5,713,674	\$7,618,229	\$13,331,903
e.	Inflation Allowance			\$0
	TOTAL CAPITAL COSTS	\$5,713,674	\$7,618,229	\$13,331,903
2.	Financing Cost and Other Cash Requirements			
a.	Loan Placement Fees			\$0
b.	Bond Discount			\$0
c.	Legal Fees			\$0
d.	Non-Legal Consultant Fees			\$0
e.	Liquidation of Existing Debt			\$0
f.	Debt Service Reserve Fund			\$0
g.	Transaction Costs	\$754,424	\$1,005,899	\$1,760,323
h.	Acquisition Costs	\$162,857	\$217,143	\$380,000
i.	Due Diligence Costs	\$64,286	\$85,714	\$150,000
	SUBTOTAL	\$981,567	\$1,308,756	\$2,290,323
3.	Working Capital Startup Costs	\$749,143	\$998,858	\$1,748,001
	TOTAL USES OF FUNDS	\$7,444,384	\$9,925,843	\$17,370,227

TABLE E. PROJECT BUDGET--Earleville

***INSTRUCTION** : Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. See additional instruction in the column to the right of the table.*

***NOTE** : Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.a as a use of funds and on line B.8 as a source of funds*

B. Sources of Funds			
1.	Cash		\$0
2.	Philanthropy (to date and expected)		\$0
3.	Authorized Bonds		\$0
4.	Interest Income from bond proceeds listed in #3		\$0
5.	Mortgage	\$4,838,849	\$6,451,799
6.	Working Capital Loans		\$0
7.	Grants or Appropriations		
	a. Federal		\$0
	b. State		\$0
	c. Local		\$0
8.	Equity funding	\$2,605,534	\$3,474,045
TOTAL SOURCES OF FUNDS		\$7,444,383	\$9,925,844
Annual Lease Costs (if applicable)			
1.	Land		\$0
2.	Building		\$0
3.	Major Movable Equipment		\$0
4.	Minor Movable Equipment		\$0
5.	Other (Specify/add rows if needed)		\$0
Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.			

The **working capital start-up costs** line item includes information technology costs to open the facility as well as cash needs to cover operating losses and the timing of collections on accounts receivable until the facility is in a position of positive cash flow.

The **due diligence** line items include predevelopment costs (Zoning, legal, ALTAs, traffic studies, economic impact studies, appraisals, sewer analysis, engineering reports, property condition assessments and Phase I's). These costs are paid to the various vendors.

Transaction and acquisition costs represent brokerage fees and other closing costs associated with purchase of the property.

The **equity funding** for the project is primarily being provided by Deerfield Management Company. Recovery Centers of America is nearing completion of the transaction with Deerfield that will provide the equity and debt financing for the entire project.

This Table does not reflect any **interest** cost during construction. The mortgage and interest expense are held by 314 Grove Neck Road LLC, not Applicant (314 Grove Neck Road OPCO LLC).

TABLE F. STATISTICAL PROJECTIONS - ENTIRE FACILITY - Earleville

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
1. DISCHARGES										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA	0	0	0	0	0	0	0	0	0	0
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute	0	0	0	0	0	0	0	0	0	0
f. Rehabilitation										
g. Comprehensive Care										
h. Residential	N/A	N/A	N/A	377	507	507				
i. Detox	N/A	N/A	N/A	377	507	507				
TOTAL DISCHARGES	0	0	0	377	507	507	0	0	0	0
2. PATIENT DAYS										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA	0	0	0	0	0	0	0	0	0	0
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute	0	0	0	0	0	0	0	0	0	0
f. Rehabilitation										
g. Comprehensive Care										
h. Residential	N/A	N/A	N/A	6,032	8,108	8,108				
i. Detox	N/A	N/A	N/A	5,278	7,094	7,094				
TOTAL PATIENT DAYS	0	0	0	11,310	15,202	15,202	0	0	0	0
3. AVERAGE LENGTH OF STAY (patient days divided by discharges)										
a. General Medical/Surgical*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. ICU/CCU	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total MSGA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Pediatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Obstetric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
e. Acute Psychiatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Acute	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
f. Rehabilitation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
g. Comprehensive Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
h. Residential	N/A	N/A	N/A	16.0	16.0	16.0				
i. Detox	N/A	N/A	N/A	14.0	14.0	14.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL AVERAGE LENGTH OF STAY	#DIV/0!	#DIV/0!	#DIV/0!	30.0	30.0	30.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
4. NUMBER OF LICENSED BEDS										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA	0	0	0	0	0	0	0	0	0	0
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute	0	0	0	0	0	0	0	0	0	0
f. Rehabilitation										
g. Comprehensive Care										
h. Residential	N/A	N/A	N/A	28	28	28				
i. Detox	N/A	N/A	N/A	21	21	21				
TOTAL LICENSED BEDS	0	0	0	49	49	49	0	0	0	0
5. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.										
a. General Medical/Surgical*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. ICU/CCU	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total MSGA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Pediatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Obstetric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
e. Acute Psychiatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Acute	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
f. Rehabilitation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
g. Comprehensive Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
h. Residential	N/A	N/A	N/A	64.3%	79.3%	79.3%				
i. Detox	N/A	N/A	N/A	75.0%	92.6%	92.6%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

TABLE F. STATISTICAL PROJECTIONS - ENTIRE FACILITY - Earleville

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
TOTAL OCCUPANCY %	#DIV/0!	#DIV/0!	#DIV/0!	68.9%	85.0%	85.0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
6. OUTPATIENT VISITS										
a. Emergency Department										
b. Same-day Surgery										
c. Laboratory										
d. Imaging										
h. Residential	N/A	N/A	N/A	N/A	N/A	N/A				
i. Detox	N/A	N/A	N/A	N/A	N/A	N/A				
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0	0	0	0	0
7. OBSERVATIONS**										
a. Number of Patients	N/A	N/A	N/A	N/A	N/A	N/A				
b. Hours	N/A	N/A	N/A	N/A	N/A	N/A				

* Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

** Services included in the reporting of the "Observation Center", direct expenses incurred in providing bedside care to observation patients; furnished by the hospital on the hospital's premises, including use of a bed and periodic monitoring by the hospital's nursing or other staff, in order to determine the need for a possible admission to the hospitals as an inpatient. Such services must be ordered and documented in writing, given by a medical practitioner; may or may not be provided in a distinct area of the hospital.

Explanation/Assumptions

- At stabilization, the facility will reach a maximum occupancy of 85%.
- The facility will reach stabilization after month six. This assumption is based on the need in the market for rehabilitation beds for self-pay and commercially insured patients.
- Average length of stay of 30 days with 14 in detoxification and 16 inpatient rehabilitation.
- Anticipated opening date 2/1/2016.

TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION : Complete this table for the entire facility, including the proposed project. Table G should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table F and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
1. REVENUE										
a. Inpatient Services			\$ -	\$ 12,398,566	\$ 16,670,179	\$ 16,670,179				
b. Outpatient Services										
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ 12,398,566	\$ 16,670,179	\$ 16,670,179	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt			\$ -	\$ 1,156,413	\$ 1,166,119	\$ 1,166,119				
d. Contractual Allowance										
e. Charity Care @ 6.15%			\$ -	834,441	1,121,926	1,121,926				
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ 10,407,712	\$ 14,382,134	\$ 14,382,134	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)										
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ 10,407,712	\$ 14,382,134	\$ 14,382,134	\$ -	\$ -	\$ -	\$ -
2. EXPENSES										
a. Salaries & Wages (including benefits)			\$ 88,293	\$ 4,297,294	\$ 4,851,909	\$ 4,851,909				
b. Contractual Services			\$ -	\$ 394,848	\$ 560,685	\$ 560,685				
c. Interest on Current Debt			\$ -	\$ -	\$ -	\$ -				
d. Interest on Project Debt			\$ -	\$ -	\$ -	\$ -				
e. Current Depreciation			\$ -	\$ -	\$ -	\$ -				
f. Project Depreciation			\$ -	\$ -	\$ -	\$ -				
g. Current Amortization			\$ -	\$ -	\$ -	\$ -				
h. Project Amortization			\$ -	\$ -	\$ -	\$ -				
i. Supplies			\$ -	\$ 16,838	\$ 23,910	\$ 23,910				
j. Administrative/office expenses			\$ 874,467	\$ 1,651,104	\$ 1,815,505	\$ 1,840,450				
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities)			\$ 312,724	\$ 2,074,966	\$ 2,158,388	\$ 2,158,388				
l. Food			\$ -	\$ 642,347	\$ 912,135	\$ 912,135				
m. Marketing expense			\$ -	\$ 356,354	\$ 506,024	\$ 506,024				
n. Liability insurance			\$ -	\$ 59,087	\$ 83,904	\$ 83,904				
o. Other Expenses: Licensing & legal expenses			\$ -	\$ 34,507	\$ 49,000	\$ 49,000				
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 1,275,484	\$ 9,527,345	\$ 10,961,460	\$ 10,986,405	\$ -	\$ -	\$ -	\$ -

TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION : Complete this table for the entire facility, including the proposed project. Table G should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table F and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
3. INCOME										
a. Income From Operation	\$ -	\$ -	\$ (1,275,484)	\$ 880,367	\$ 3,420,674	\$ 3,395,729	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income										
SUBTOTAL	\$ -	\$ -	\$ (1,275,484)	\$ 880,367	\$ 3,420,674	\$ 3,395,729	\$ -	\$ -	\$ -	\$ -
c. Income Taxes										
NET INCOME (LOSS)	\$ -	\$ -	\$ (1,275,484)	\$ 880,367	\$ 3,420,674	\$ 3,395,729	\$ -	\$ -	\$ -	\$ -
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare			0.00%	0.00%	0.00%	0.00%				
2) Medicaid			0.00%	0.00%	0.00%	0.00%				
3) Blue Cross			0.00%	0.00%	0.00%	0.00%				
4) Commercial Insurance			0.00%	20.91%	20.91%	20.91%				
5) Self-pay			0.00%	79.09%	79.09%	79.09%				
6) Other			0.00%	0.00%	0.00%	0.00%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days										
1) Medicare			0.00%	0.00%	0.00%	0.00%				
2) Medicaid			0.00%	0.00%	0.00%	0.00%				
3) Blue Cross			0.00%	0.00%	0.00%	0.00%				
4) Commercial Insurance			0.00%	25.00%	25.00%	25.00%				
5) Self-pay			0.00%	68.85%	68.85%	68.85%				
6) Other			0.00%	6.15%	6.15%	6.15%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table H should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table F. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
1. REVENUE										
a. Inpatient Services			\$ -	\$ 12,398,566	\$ 17,432,897	\$ 18,304,542				
b. Outpatient Services										
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ 12,398,566	\$ 17,432,897	\$ 18,304,542	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt			\$ -	\$ 1,156,413	\$ 1,219,473	\$ 1,280,447				
d. Contractual Allowance										
e. Charity Care @ 6.15%			\$ -	\$ 834,441	\$ 1,173,258	\$ 1,231,921				
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ 10,407,712	\$ 15,040,166	\$ 15,792,174	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)			\$ -	\$ -	\$ -	\$ -				
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ 10,407,712	\$ 15,040,166	\$ 15,792,174	\$ -	\$ -	\$ -	\$ -
2. EXPENSES										
a. Salaries & Wages (including benefits)			\$ 88,293	\$ 4,297,294	\$ 5,074,288	\$ 5,328,003				
b. Contractual Services			\$ -	\$ 394,848	\$ 586,384	\$ 615,702				
c. Interest on Current Debt			\$ -	\$ -	\$ -	\$ -				
d. Interest on Project Debt			\$ -	\$ -	\$ -	\$ -				
e. Current Depreciation			\$ -	\$ -	\$ -	\$ -				
f. Project Depreciation			\$ -	\$ -	\$ -	\$ -				
g. Current Amortization			\$ -	\$ -	\$ -	\$ -				
h. Project Amortization			\$ -	\$ -	\$ -	\$ -				
i. Supplies			\$ -	\$ 16,838	\$ 25,006	\$ 26,257				
j. Administrative/office expenses			\$ 874,467	\$ 1,700,172	\$ 1,943,458	\$ 2,081,357				
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities)			\$ 312,724	\$ 2,074,966	\$ 2,177,701	\$ 2,199,735				
l. Food			\$ -	\$ 642,347	\$ 953,941	\$ 1,001,638				
m. Marketing expense			\$ -	\$ 356,354	\$ 529,217	\$ 555,678				
n. Liability insurance			\$ -	\$ 59,087	\$ 87,749	\$ 92,137				
o. Other Expenses: Licensing & legal expenses			\$ -	\$ 34,507	\$ 51,246	\$ 53,808				
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 1,275,484	\$ 9,576,413	\$ 11,428,990	\$ 11,954,315	\$ -	\$ -	\$ -	\$ -

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table H should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table F. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
3. INCOME										
a. Income From Operation	\$ -	\$ -	\$ (1,275,484)	\$ 831,299	\$ 3,611,176	\$ 3,837,859	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income										
SUBTOTAL	\$ -	\$ -	\$ (1,275,484)	\$ 831,299	\$ 3,611,176	\$ 3,837,859	\$ -	\$ -	\$ -	\$ -
c. Income Taxes										
NET INCOME (LOSS)	\$ -	\$ -	\$ (1,275,484)	\$ 831,299	\$ 3,611,176	\$ 3,837,859	\$ -	\$ -	\$ -	\$ -
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare			0.00%	0.00%	0.00%	0.00%				
2) Medicaid			0.00%	0.00%	0.00%	0.00%				
3) Blue Cross			0.00%	0.00%	0.00%	0.00%				
4) Commercial Insurance			0.00%	20.91%	20.91%	20.91%				
5) Self-pay			0.00%	79.09%	79.09%	79.09%				
6) Other			0.00%	0.00%	0.00%	0.00%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days										
Total MSGA										
1) Medicare			0.00%	0.00%	0.00%	0.00%				
2) Medicaid			0.00%	0.00%	0.00%	0.00%				
3) Blue Cross			0.00%	0.00%	0.00%	0.00%				
4) Commercial Insurance			0.00%	25.00%	25.00%	25.00%				
5) Self-pay			0.00%	68.85%	68.85%	68.85%				
6) Other			0.00%	6.15%	6.15%	6.15%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

TABLE I. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE - Earleville

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables J and K.						
Calendar Year	2016	2017	2018				
1. DISCHARGES							
a. General Medical/Surgical*							
b. ICU/CCU							
Total MSGA	0	0	0	0	0	0	0
c. Pediatric							
d. Obstetric							
e. Acute Psychiatric							
Total Acute	0	0	0	0	0	0	0
f. Rehabilitation							
g. Comprehensive Care							
h. Detox	377	507	507				
TOTAL DISCHARGES	377	507	507	0	0	0	0
2. PATIENT DAYS							
a. General Medical/Surgical*							
b. ICU/CCU							
Total MSGA	0	0	0	0	0	0	0
c. Pediatric							
d. Obstetric							
e. Acute Psychiatric							
Total Acute	0	0	0	0	0	0	0
f. Rehabilitation							
g. Comprehensive Care							
h. Detox	5,278	7,094	7,094				
TOTAL PATIENT DAYS	5,278	7,094	7,094	0	0	0	0
3. AVERAGE LENGTH OF STAY							
a. General Medical/Surgical*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. ICU/CCU	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total MSGA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Pediatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Obstetric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
e. Acute Psychiatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Acute	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
f. Rehabilitation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
g. Comprehensive Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
h. Detox	14.0	14.0	14.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL AVERAGE LENGTH OF STAY	14.0	14.0	14.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

TABLE I. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE - Earleville

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables J and K.						
Calendar Year	2016	2017	2018				
4. NUMBER OF LICENSED BEDS							
a. General Medical/Surgical*							
b. ICU/CCU							
Total MSGA	0	0	0	0	0	0	0
c. Pediatric							
d. Obstetric							
e. Acute Psychiatric							
Total Acute	0	0	0	0	0	0	0
f. Rehabilitation							
g. Comprehensive Care							
h. Detox	21	21	21				
TOTAL LICENSED BEDS	21	21	21	0	0	0	0
5. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.							
a. General Medical/Surgical*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. ICU/CCU	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total MSGA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Pediatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Obstetric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
e. Acute Psychiatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Acute	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
f. Rehabilitation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
g. Comprehensive Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
h. Detox	68.9%	92.6%	92.6%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL OCCUPANCY %	68.9%	92.6%	92.6%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
6. OUTPATIENT VISITS							
a. Emergency Department							
b. Same-day Surgery							
c. Laboratory							
d. Imaging							
e. Other (Specify/add rows of needed)							
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0	0
7. OBSERVATIONS**							
a. Number of Patients							
b. Hours							

*Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

** Services included in the reporting of the "Observation Center", direct expenses incurred in providing bedside care to observation patients; furnished by the hospital on the hospital's premises, including use of a bed and periodic monitoring by the hospital's nursing or other staff, in order to determine the need for a possible admission to the hospitals as an inpatient. Such services must be ordered and documented in writing, given by a medical practitioner; may or may not be provided in a distinct area of the hospital.

TABLE J. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE - DETOX

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table J should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table I and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	2015	2016	2017	2018			
1. REVENUE - DETOX							
a. Inpatient Services	\$ -	\$ 5,419,503	\$ 7,286,656	\$ 7,286,656			
b. Outpatient Services		N/A	N/A	N/A			
Gross Patient Service Revenues	\$ -	\$ 5,419,503	\$ 7,286,656	\$ 7,286,656	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ -	\$ 506,189	\$ 510,437	\$ 510,437			
d. Contractual Allowance							
e. Charity Care @ 6.15%	\$ -	\$ 357,617	\$ 480,825	\$ 480,825			
Net Patient Services Revenue	\$ -	\$ 4,555,697	\$ 6,295,394	\$ 6,295,394	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify)							
NET OPERATING REVENUE	\$ -	\$ 4,555,697	\$ 6,295,394	\$ 6,295,394	\$ -	\$ -	\$ -
2. EXPENSES - DETOX							
a. Salaries & Wages (including benefits)	\$ 39,388	\$ 1,831,940	\$ 2,108,220	\$ 2,139,673			
b. Contractual Services	\$ -	\$ 169,221	\$ 240,294	\$ 240,294			
c. Interest on Current Debt	\$ -	\$ -	\$ -	\$ -			
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -			
e. Current Depreciation	\$ -	\$ -	\$ -	\$ -			
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -			
g. Current Amortization	\$ -	\$ -	\$ -	\$ -			
h. Project Amortization	\$ -	\$ -	\$ -	\$ -			
i. Supplies	\$ -	\$ 7,216	\$ 10,247	\$ 10,247			
j. Administrative/office expenses	\$ 374,772	\$ 707,616	\$ 778,074	\$ 788,764			
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities	\$ 134,025	\$ 889,271	\$ 925,023	\$ 925,023			
l. Food	\$ -	\$ 275,292	\$ 390,915	\$ 390,915			
m. Marketing expense	\$ -	\$ 152,723	\$ 216,867	\$ 216,867			
n. Liability insurance	\$ -	\$ 25,323	\$ 35,959	\$ 35,959			
o. Other Expenses: Licensing & legal expenses	\$ -	\$ 14,789	\$ 21,000	\$ 21,000			
TOTAL OPERATING EXPENSES	\$ 548,185	\$ 4,073,391	\$ 4,726,599	\$ 4,768,742	\$ -	\$ -	\$ -
3. INCOME - DETOX							
a. Income From Operation	\$ (548,185)	\$ 482,306	\$ 1,568,795	\$ 1,526,652	\$ -	\$ -	\$ -
b. Non-Operating Income							
SUBTOTAL	\$ (548,185)	\$ 482,306	\$ 1,568,795	\$ 1,526,652	\$ -	\$ -	\$ -
c. Income Taxes							
NET INCOME (LOSS)	\$ (548,185)	\$ 482,306	\$ 1,568,795	\$ 1,526,652	\$ -	\$ -	\$ -
4. PATIENT MIX - DETOX							
a. Percent of Total Revenue							
1) Medicare	0.00%	0.00%	0.00%	0.00%			
2) Medicaid	0.00%	0.00%	0.00%	0.00%			
3) Blue Cross	0.00%	0.00%	0.00%	0.00%			
4) Commercial Insurance	0.00%	20.91%	20.91%	20.91%			
5) Self-pay	0.00%	79.09%	79.09%	79.09%			
6) Other	0.00%	0.00%	0.00%	0.00%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
Total MSGA							
1) Medicare	0.00%	0.00%	0.00%	0.00%			
2) Medicaid	0.00%	0.00%	0.00%	0.00%			
3) Blue Cross	0.00%	0.00%	0.00%	0.00%			
4) Commercial Insurance	0.00%	25.00%	25.00%	25.00%			
5) Self-pay	0.00%	68.85%	68.85%	68.85%			
6) Other	0.00%	6.15%	6.15%	6.15%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%

TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE - DETOX

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table K should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table I. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	2015	2016	2017	2018			
1. REVENUE							
a. Inpatient Services	\$ -	\$ 5,419,503	\$ 7,620,045	\$ 8,001,047			
b. Outpatient Services	N/A	N/A	N/A	N/A			
Gross Patient Service Revenues	\$ -	\$ 5,419,503	\$ 7,620,045	\$ 8,001,047	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ -	\$ 506,189	\$ 533,792	\$ 560,481			
d. Contractual Allowance							
e. Charity Care @ 6.15%	\$ -	\$ 357,617	\$ 502,825	\$ 527,966			
Net Patient Services Revenue	\$ -	\$ 4,555,697	\$ 6,583,428	\$ 6,912,600	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows of needed)							
NET OPERATING REVENUE	\$ -	\$ 4,555,697	\$ 6,583,428	\$ 6,912,600	\$ -	\$ -	\$ -
2. EXPENSES							
a. Salaries & Wages (including benefits)	\$ 39,388	\$ 1,831,940	\$ 2,204,846	\$ 2,315,089			
b. Contractual Services	\$ -	\$ 169,221	\$ 251,307	\$ 263,872			
c. Interest on Current Debt	\$ -	\$ -	\$ -	\$ -			
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -			
e. Current Depreciation	\$ -	\$ -	\$ -	\$ -			
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -			
g. Current Amortization	\$ -	\$ -	\$ -	\$ -			
h. Project Amortization	\$ -	\$ -	\$ -	\$ -			
i. Supplies	\$ -	\$ 7,216	\$ 10,717	\$ 11,253			
j. Administrative/office expenses	\$ 374,772	\$ 728,645	\$ 832,911	\$ 892,010			
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities)	\$ 134,025	\$ 889,271	\$ 933,300	\$ 942,744			
l. Food	\$ -	\$ 275,292	\$ 408,832	\$ 429,273			
m. Marketing expense	\$ -	\$ 152,723	\$ 226,807	\$ 238,148			
n. Liability insurance	\$ -	\$ 25,323	\$ 37,607	\$ 39,487			
o. Other Expenses: Licensing & legal expenses	\$ -	\$ 14,789	\$ 21,963	\$ 23,061			
TOTAL OPERATING EXPENSES	\$ 548,185	\$ 4,094,420	\$ 4,928,290	\$ 5,154,937	\$ -	\$ -	\$ -
3. INCOME							
a. Income From Operation	\$ (548,185)	\$ 461,277	\$ 1,655,138	\$ 1,757,663	\$ -	\$ -	\$ -
b. Non-Operating Income							
SUBTOTAL	\$ (548,185)	\$ 461,277	\$ 1,655,138	\$ 1,757,663	\$ -	\$ -	\$ -
c. Income Taxes							
NET INCOME (LOSS)	\$ (548,185)	\$ 461,277	\$ 1,655,138	\$ 1,757,663	\$ -	\$ -	\$ -
4. PATIENT MIX							
a. Percent of Total Revenue							
1) Medicare	0.00%	0.00%	0.00%	0.00%			
2) Medicaid	0.00%	0.00%	0.00%	0.00%			
3) Blue Cross	0.00%	0.00%	0.00%	0.00%			
4) Commercial Insurance	0.00%	20.91%	20.91%	20.91%			
5) Self-pay	0.00%	79.09%	79.09%	79.09%			
6) Other	0.00%	0.00%	0.00%	0.00%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
1) Medicare	0.00%	0.00%	0.00%	0.00%			
2) Medicaid	0.00%	0.00%	0.00%	0.00%			
3) Blue Cross	0.00%	0.00%	0.00%	0.00%			
4) Commercial Insurance	0.00%	25.00%	25.00%	25.00%			
5) Self-pay	0.00%	68.85%	68.85%	68.85%			
6) Other	0.00%	6.15%	6.15%	6.15%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%

TABLE L. WORK FORCE INFORMATION - DETOX - Earleville

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables G and J. See additional instruction in the column to the right of the table.

	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
Job Category	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	Detox FTEs	Average Salary per Detox FTE	Total Detox Cost (should be consistent with projections in Table J)	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
1. Regular Employees											
Administration (List general categories, add rows if needed)											
Site Director			\$0	0.86	\$185,250	\$158,786			\$0	0.9	\$158,786
Admissions				1.48	\$61,420	\$90,814			\$0	1.5	\$90,814
Administrative Support				2.57	\$52,029	\$133,714			\$0	2.6	\$133,714
Medical Records				1.71	\$58,207	\$99,534			\$0	1.7	\$99,534
Operations Manager				0.43	\$91,000	\$39,000			\$0	0.4	\$39,000
Total Administration			\$0	7.04	\$447,906	\$521,848		\$0	\$0	7.0	\$521,848
Direct Care Staff (List general categories, add rows if needed)											
Psychiatrist				0.42	\$252,720	\$106,142			\$0	0.4	\$106,142
Nurse Practitioner				0.70	\$130,000	\$91,000			\$0	0.7	\$91,000
Nursing Director				0.43	\$105,300	\$45,129			\$0	0.4	\$45,129
Case Manager				0.91	\$50,050	\$45,779			\$0	0.9	\$45,779
Nursing - LPN				9.55	\$51,513	\$491,751			\$0	9.5	\$491,751
Nursing - RN				4.21	\$78,496	\$330,589			\$0	4.2	\$330,589
Recovery Support				5.40	\$39,307	\$212,187			\$0	5.4	\$212,187
Second Shift Supervisor*				0.43	\$84,500	\$36,214			\$0	0.4	\$36,214
Site Medical Director				0.43	\$325,000	\$139,286			\$0	0.4	\$139,286
Spiritual Advisor				0.21	\$54,500	\$11,445			\$0	0.2	\$11,445
Total Direct Care			\$0	22.69	\$1,171,386	\$1,509,522	0.0	\$0	\$0	22.7	\$1,509,522
Support Staff (List general categories, add rows if needed)											
Administrative Support			\$0	2.43	\$41,285	\$100,323			\$0	2.4	\$100,323
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Support			\$0	2.43	\$41,285	\$100,323		\$0	\$0	2.4	\$100,323
REGULAR EMPLOYEES TOTAL			\$0	32.16	\$1,660,577	\$2,131,693		\$0	\$0	32.2	\$2,131,693
2. Contractual Employees											
Administration (List general categories, add rows if needed)											
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Administration			\$0	0.00	\$0	\$0		\$0	\$0	0.0	\$0
Direct Care Staff (List general categories, add rows if needed)											
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Direct Care Staff			\$0	0.00	\$0	\$0		\$0	\$0	0.0	\$0
Support Staff (List general categories, add rows if needed)											
Activities			\$0	0.21		\$7,980			\$0	0.2	\$7,980
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Support Staff			\$0	0.21	\$0	\$7,980		\$0	\$0	0.2	\$7,980
CONTRACTUAL EMPLOYEES TOTAL			\$0	0.21	\$0	\$7,980		\$0	\$0	0.2	\$7,980
Benefits (State method of calculating benefits below):											
Benefits and taxes have been applied to employed staff based on management experience with the costs for similar benefit packages at other organizations at a rate of approximately 30%.											
TOTAL COST	0.0		\$0	32.37		\$2,139,673	0.0		\$0		\$2,139,673

Statement of Assumptions for Financial Projections

Expenses

Applicant has budgeted its expenses based on a variety of factors, including but not limited to the following:

- Staffing ratio requirements of the state
- Industry comparable information, when available
- Experience of executive program and clinical personnel from other facilities
- Experience of executive finance personnel with costs associated for expenses and services in similar type facilities

The RCA salaries are based on detail rosters by location that comply with or exceed the staffing requirements for the respective services. Benefit and taxes have been applied based on management experience with the costs for similar benefit packages at other organizations. Estimates for utilities, maintenance, and other facility related costs are based on both the experience of RCA management from other similar facilities, as well as estimates from personnel familiar with facility costs from similar sized facilities in their hospitality portfolio. Food costs were estimated based on the experience of RCA management at other residential facilities, and were increased nearly twofold in order to ensure that RCA will be able to deliver the high quality of food that will be required in its world class facilities. Liability, property and other insurance costs are based on estimates received from RCA's insurance brokers, who have done preliminary pricing with a variety of insurance carriers ahead of actual binding of insurance coverages. Finally, other patient based expenses (i.e. program activities, etc.) were also based on the RCA management team's experience at other similar facilities.

In general, Applicant based the expenses of its budget on known factors where available, and on the significant past experience of its executive program, clinical and financial teams in order to provide what it believes to be the most accurate, and if unknown then conservative, expense projections available at this time.

Revenue

Applicant used various forms of data to support the average daily rate assumptions used in schedules G and H to calculate annual revenue. Applicant examined data from multiple payors that includes out-of-network (OON) claims processed, in-network negotiated rates from proprietary sources, databases that provide claims paid representing a population mix of OON and in-network data, as well as self-pay rates. Applicant focused on four key information sources: (i) Medivance Billing Service data (OON claims processed), (ii) TruVen Health Analytics data (claims paid, thus representing a mix of OON and in-network), (iii) American Addiction Centers (NYSE: AAC) public metrics (primarily OON, with small portion of self-pay), and (iv) internal employee confidential rate data (in-network negotiated rates). The summary of Applicant's data analysis by source is below, with the results supporting its assumptions and serving to triangulate around RCA's average daily rates.

Summary Matrix

	RCA Model Average <u>Daily Rate</u>	(1)	Medivance Billing Average <u>Payment</u>	Truven Health <u>Analytics</u>	American <u>Addiction</u>	RCA Proprietary In-Network <u>Rates</u>
Detox	\$860		\$1,618			\$752
Inpatient	\$724		\$1,135	\$1,057 (2)	\$966 (3)	\$597
Partial Hospitalization	\$325		\$989			\$350
Intensive Outpatient	\$150		\$610			
General Outpatient	\$75		\$193			

Notes:

(1) Represents the weighted average (by bed) daily rate for RCA, before bad debt provision.

(2) Represents payments to hospitals for similar services provided by RCA.

(3) Represents AAC's average gross daily revenue for the 4th quarter of 2014.

- (i) Medivance Billing Service (MBS) specializes in offering comprehensive substance abuse billing, collections and revenue cycle management services to substance abuse rehab facilities. It provided Applicant with a comprehensive proposal for providing services to RCA. Throughout that process, Applicant has been gathering data from MBS' billing base of 45 clients (representing 60 facilities) and over \$60 million worth of claims data each month, 95% of which is out-of-network insurance claims. MBS has provided 2014 data with regard to average payment rates, all from their proprietary information of claims. The average payment rate represents the actual amount paid by the insurance provider to the rehabilitation facility, which is after the patient responsibility portion of the bill (including coinsurance, deductibles, etc.). The data includes individual claim data from 50+ different insurance providers and over 2000 individual data points. The summary of the MBS average daily payment data for OON claims paid to substance abuse facilities is as follows:

<u>Level of Service Provided</u>	<u>Average Daily Payment</u>
Detox	\$1,618
Inpatient Rehab / Residential	\$1,135
Partial Hospitalization (PHP)	\$989
Intensive Outpatient (IOP)	\$610
General Outpatient (GOP)	\$193

- (ii) TruVen Health Analytics (TruVen) has a proprietary and confidential database called Reimbursement Benchmarks, which represents 350 insurance carriers and 67 million covered lives. TruVen has provided data that represent the same services Applicant will be providing, although from a hospital standpoint, and not a “free-standing” rehabilitation facility (i.e. a different site service). Applicant views this data as an indirect confirmation that the value of Applicant’s services is commensurate with the TruVen summary data below. Applicant is in consistent dialog with the TruVen Health team to fine tune its relevant claims data.

<u>State</u>	<u>Average Daily Rate</u>	
	<u>Inpatient Services (MS_DRG 895)</u>	
	<u>2012</u>	<u>2013</u>
Rhode Island	\$ 1,287	\$ 1,326
Pennsylvania	\$ 921	\$ 956
New Jersey	\$ 950	\$ 1,001
Massachusetts	\$ 1,107	\$ 1,128
Maryland	\$ 866	\$ 872
<i>Average</i>	\$ 1,026	\$ 1,057

- (iii) American Addiction Centers (NYSE: AAC), the pure play substance abuse public comparable, generates revenues through out-of-network insurance reimbursements (90%) and self-pay clients (10%). AAC publishes several select metrics that Applicant tracks closely, among those being average gross daily revenue and average net daily revenue both quarterly and annually. AAC is achieving substantially higher daily rates than we are forecasting in our model and they are summarized below.

	<u>2013</u>	<u>2014</u>	<u>3rdQ2014</u>	<u>4thQ2014</u>
Avg Gross Daily Revenue:	\$935	\$922	\$963	\$966
Avg Net Daily Revenue:	\$847	\$890	\$906	\$890

- (iv) In-Network Rates – RCA Proprietary: The following rates represent negotiated in-network daily rates for a west coast-based substance abuse facility. These rates are averages from over 15 major regional and national payors and are primarily based on “all-inclusive” per diem fee schedules. In some instances, rates were exclusive of Physician Fees, Radiology and other ancillary services.

Detox	\$752
Inpatient Rehab	\$597
Partial Hospitalization	\$350

EXHIBIT 2

TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY - PROJECTIONS WITH 15% CHARITY CARE

INSTRUCTION : Complete this table for the entire facility, including the proposed project. Table G should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table F and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
1. REVENUE										
a. Inpatient Services			\$ -	\$ 12,398,566	\$ 16,670,179	\$ 16,670,179				
b. Outpatient Services										
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ 12,398,566	\$ 16,670,179	\$ 16,670,179	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt			\$ -	\$ 1,036,335	\$ 1,045,033	\$ 1,045,033				
d. Contractual Allowance										
e. Charity Care			\$ -	2,035,221	2,736,405	2,736,405				
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ 9,327,010	\$ 12,888,741	\$ 12,888,741	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)										
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ 9,327,010	\$ 12,888,741	\$ 12,888,741	\$ -	\$ -	\$ -	\$ -
2. EXPENSES										
a. Salaries & Wages (including benefits)			\$ 88,293	\$ 4,297,294	\$ 4,851,909	\$ 4,851,909				
b. Contractual Services			\$ -	\$ 394,848	\$ 560,685	\$ 560,685				
c. Interest on Current Debt			\$ -	\$ -	\$ -	\$ -				
d. Interest on Project Debt			\$ -	\$ -	\$ -	\$ -				
e. Current Depreciation			\$ -	\$ -	\$ -	\$ -				
f. Project Depreciation			\$ -	\$ -	\$ -	\$ -				
g. Current Amortization			\$ -	\$ -	\$ -	\$ -				
h. Project Amortization			\$ -	\$ -	\$ -	\$ -				
i. Supplies			\$ -	\$ 16,838	\$ 23,910	\$ 23,910				
j. Administrative/office expenses			\$ 874,467	\$ 1,651,104	\$ 1,815,505	\$ 1,840,450				
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities)			\$ 312,724	\$ 2,074,966	\$ 2,158,388	\$ 2,158,388				
l. Food			\$ -	\$ 642,347	\$ 912,135	\$ 912,135				
m. Marketing expense			\$ -	\$ 356,354	\$ 506,024	\$ 506,024				
n. Liability insurance			\$ -	\$ 59,087	\$ 83,904	\$ 83,904				
o. Other Expenses: Licensing & legal expenses			\$ -	\$ 34,507	\$ 49,000	\$ 49,000				
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 1,275,484	\$ 9,527,345	\$ 10,961,460	\$ 10,986,405	\$ -	\$ -	\$ -	\$ -

TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY - PROJECTIONS WITH 15% CHARITY CARE

INSTRUCTION : Complete this table for the entire facility, including the proposed project. Table G should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table F and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
3. INCOME										
a. Income From Operation	\$ -	\$ -	\$ (1,275,484)	\$ (200,335)	\$ 1,927,281	\$ 1,902,336	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income										
SUBTOTAL	\$ -	\$ -	\$ (1,275,484)	\$ (200,335)	\$ 1,927,281	\$ 1,902,336	\$ -	\$ -	\$ -	\$ -
c. Income Taxes										
NET INCOME (LOSS)	\$ -	\$ -	\$ (1,275,484)	\$ (200,335)	\$ 1,927,281	\$ 1,902,336	\$ -	\$ -	\$ -	\$ -
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare			0.0%	0.0%	0.0%	0.0%				
2) Medicaid			0.0%	0.0%	0.0%	0.0%				
3) Blue Cross			0.0%	0.0%	0.0%	0.0%				
4) Commercial Insurance			0.0%	19.5%	19.5%	19.5%				
5) Self-pay			0.0%	80.5%	80.5%	80.5%				
6) Other			0.0%	0.0%	0.0%	0.0%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days										
1) Medicare			0.0%	0.0%	0.0%	0.0%				
2) Medicaid			0.0%	0.0%	0.0%	0.0%				
3) Blue Cross			0.0%	0.0%	0.0%	0.0%				
4) Commercial Insurance			0.0%	25.0%	25.0%	25.0%				
5) Self-pay			0.0%	60.0%	60.0%	60.0%				
6) Other			0.0%	15.0%	15.0%	15.0%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY - PROJECTIONS WITH 15% CHARITY CARE

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table H should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table F. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
1. REVENUE										
a. Inpatient Services			\$ -	\$ 12,398,566	\$ 17,432,897	\$ 18,304,542				
b. Outpatient Services										
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ 12,398,566	\$ 17,432,897	\$ 18,304,542	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt			\$ -	\$ 1,036,335	\$ 1,092,847	\$ 1,147,489				
d. Contractual Allowance										
e. Charity Care			\$ -	\$ 2,035,221	\$ 2,861,605	\$ 3,004,685				
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ 9,327,010	\$ 13,478,445	\$ 14,152,368	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)			\$ -	\$ -	\$ -	\$ -				
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ 9,327,010	\$ 13,478,445	\$ 14,152,368	\$ -	\$ -	\$ -	\$ -
2. EXPENSES										
a. Salaries & Wages (including benefits)			\$ 88,293	\$ 4,297,294	\$ 5,074,288	\$ 5,328,003				
b. Contractual Services			\$ -	\$ 394,848	\$ 586,384	\$ 615,702				
c. Interest on Current Debt			\$ -	\$ -	\$ -	\$ -				
d. Interest on Project Debt			\$ -	\$ -	\$ -	\$ -				
e. Current Depreciation			\$ -	\$ -	\$ -	\$ -				
f. Project Depreciation			\$ -	\$ -	\$ -	\$ -				
g. Current Amortization			\$ -	\$ -	\$ -	\$ -				
h. Project Amortization			\$ -	\$ -	\$ -	\$ -				
i. Supplies			\$ -	\$ 16,838	\$ 25,006	\$ 26,257				
j. Administrative/office expenses			\$ 874,467	\$ 1,700,172	\$ 1,943,458	\$ 2,081,357				
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities)			\$ 312,724	\$ 2,074,966	\$ 2,177,701	\$ 2,199,735				
l. Food			\$ -	\$ 642,347	\$ 953,941	\$ 1,001,638				
m. Marketing expense			\$ -	\$ 356,354	\$ 529,217	\$ 555,678				
n. Liability insurance			\$ -	\$ 59,087	\$ 87,749	\$ 92,137				
o. Other Expenses: Licensing & legal expenses			\$ -	\$ 34,507	\$ 51,246	\$ 53,808				
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ 1,275,484	\$ 9,576,413	\$ 11,428,990	\$ 11,954,315	\$ -	\$ -	\$ -	\$ -

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY - PROJECTIONS WITH 15% CHARITY CARE

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table H should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table F. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	N/A	N/A	2015	2016	2017	2018				
3. INCOME										
a. Income From Operation	\$ -	\$ -	\$ (1,275,484)	\$ (249,403)	\$ 2,049,455	\$ 2,198,053	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income										
SUBTOTAL	\$ -	\$ -	\$ (1,275,484)	\$ (249,403)	\$ 2,049,455	\$ 2,198,053	\$ -	\$ -	\$ -	\$ -
c. Income Taxes										
NET INCOME (LOSS)	\$ -	\$ -	\$ (1,275,484)	\$ (249,403)	\$ 2,049,455	\$ 2,198,053	\$ -	\$ -	\$ -	\$ -
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare			0.0%	0.0%	0.0%	0.0%				
2) Medicaid			0.0%	0.0%	0.0%	0.0%				
3) Blue Cross			0.0%	0.0%	0.0%	0.0%				
4) Commercial Insurance			0.0%	19.5%	19.5%	19.5%				
5) Self-pay			0.0%	80.5%	80.5%	80.5%				
6) Other			0.0%	0.0%	0.0%	0.0%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days										
Total MSGA										
1) Medicare			0.0%	0.0%	0.0%	0.0%				
2) Medicaid			0.0%	0.0%	0.0%	0.0%				
3) Blue Cross			0.0%	0.0%	0.0%	0.0%				
4) Commercial Insurance			0.0%	25.0%	25.0%	25.0%				
5) Self-pay			0.0%	60.0%	60.0%	60.0%				
6) Other			0.0%	15.0%	15.0%	15.0%				
TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

TABLE J. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE - DETOX - PROJECTIONS WITH 15% CHARITY CARE

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table J should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table I and with the costs of Manpower listed in Table L. Manpower. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Specify the sources of non-operating income.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	2015	2016	2017	2018			
1. REVENUE - DETOX							
a. Inpatient Services	\$ -	\$ 5,419,503	\$ 7,286,656	\$ 7,286,656			
b. Outpatient Services		N/A	N/A	N/A			
Gross Patient Service Revenues	\$ -	\$ 5,419,503	\$ 7,286,656	\$ 7,286,656	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ -	\$ 454,727	\$ 458,543	\$ 458,543			
d. Contractual Allowance							
e. Charity Care	\$ -	\$ 872,238	\$ 1,172,745	\$ 1,172,745			
Net Patient Services Revenue	\$ -	\$ 4,092,538	\$ 5,655,368	\$ 5,655,368	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify)							
NET OPERATING REVENUE	\$ -	\$ 4,092,538	\$ 5,655,368	\$ 5,655,368	\$ -	\$ -	\$ -
2. EXPENSES - DETOX							
a. Salaries & Wages (including benefits)	\$ 39,388	\$ 1,831,940	\$ 2,108,220	\$ 2,139,673			
b. Contractual Services	\$ -	\$ 169,221	\$ 240,294	\$ 240,294			
c. Interest on Current Debt	\$ -	\$ -	\$ -	\$ -			
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -			
e. Current Depreciation	\$ -	\$ -	\$ -	\$ -			
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -			
g. Current Amortization	\$ -	\$ -	\$ -	\$ -			
h. Project Amortization	\$ -	\$ -	\$ -	\$ -			
i. Supplies	\$ -	\$ 7,216	\$ 10,247	\$ 10,247			
j. Administrative/office expenses	\$ 374,772	\$ 707,616	\$ 778,074	\$ 788,764			
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities	\$ 134,025	\$ 889,271	\$ 925,023	\$ 925,023			
l. Food	\$ -	\$ 275,292	\$ 390,915	\$ 390,915			
m. Marketing expense	\$ -	\$ 152,723	\$ 216,867	\$ 216,867			
n. Liability insurance	\$ -	\$ 25,323	\$ 35,959	\$ 35,959			
o. Other Expenses: Licensing & legal expenses	\$ -	\$ 14,789	\$ 21,000	\$ 21,000			
TOTAL OPERATING EXPENSES	\$ 548,185	\$ 4,073,391	\$ 4,726,599	\$ 4,768,742	\$ -	\$ -	\$ -
3. INCOME - DETOX							
a. Income From Operation	\$ (548,185)	\$ 19,147	\$ 928,769	\$ 886,626	\$ -	\$ -	\$ -
b. Non-Operating Income							
SUBTOTAL	\$ (548,185)	\$ 19,147	\$ 928,769	\$ 886,626	\$ -	\$ -	\$ -
c. Income Taxes							
NET INCOME (LOSS)	\$ (548,185)	\$ 19,147	\$ 928,769	\$ 886,626	\$ -	\$ -	\$ -
4. PATIENT MIX - DETOX							
a. Percent of Total Revenue							
1) Medicare	0.0%	0.0%	0.0%	0.0%			
2) Medicaid	0.0%	0.0%	0.0%	0.0%			
3) Blue Cross	0.0%	0.0%	0.0%	0.0%			
4) Commercial Insurance	0.0%	19.5%	19.5%	19.5%			
5) Self-pay	0.0%	80.5%	80.5%	80.5%			
6) Other	0.0%	0.0%	0.0%	0.0%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
Total MSGA							
1) Medicare	0.0%	0.0%	0.0%	0.0%			
2) Medicaid	0.0%	0.0%	0.0%	0.0%			
3) Blue Cross	0.0%	0.0%	0.0%	0.0%			
4) Commercial Insurance	0.0%	25.0%	25.0%	25.0%			
5) Self-pay	0.0%	60.0%	60.0%	60.0%			
6) Other	0.0%	15.0%	15.0%	15.0%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%

TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE - DETOX - PROJECTIONS WITH 15% CHARITY CARE

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table K should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table I. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Calendar Year	2015	2016	2017	2018			
1. REVENUE							
a. Inpatient Services	\$ -	\$ 5,419,503	\$ 7,620,045	\$ 8,001,047			
b. Outpatient Services	N/A	N/A	N/A	N/A			
Gross Patient Service Revenues	\$ -	\$ 5,419,503	\$ 7,620,045	\$ 8,001,047	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ -	\$ 454,727	\$ 479,523	\$ 503,499			
d. Contractual Allowance							
e. Charity Care	\$ -	\$ 872,238	\$ 1,226,402	\$ 1,287,722			
Net Patient Services Revenue	\$ -	\$ 4,092,538	\$ 5,914,120	\$ 6,209,826	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows of needed)							
NET OPERATING REVENUE	\$ -	\$ 4,092,538	\$ 5,914,120	\$ 6,209,826	\$ -	\$ -	\$ -
2. EXPENSES							
a. Salaries & Wages (including benefits)	\$ 39,388	\$ 1,831,940	\$ 2,204,846	\$ 2,315,089			
b. Contractual Services	\$ -	\$ 169,221	\$ 251,307	\$ 263,872			
c. Interest on Current Debt	\$ -	\$ -	\$ -	\$ -			
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -			
e. Current Depreciation	\$ -	\$ -	\$ -	\$ -			
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -			
g. Current Amortization	\$ -	\$ -	\$ -	\$ -			
h. Project Amortization	\$ -	\$ -	\$ -	\$ -			
i. Supplies	\$ -	\$ 7,216	\$ 10,717	\$ 11,253			
j. Administrative/office expenses	\$ 374,772	\$ 728,645	\$ 832,911	\$ 892,010			
k. Facilities expenses (repairs & maintenance, rent, real estate taxes, utilities)	\$ 134,025	\$ 889,271	\$ 933,300	\$ 942,744			
l. Food	\$ -	\$ 275,292	\$ 408,832	\$ 429,273			
m. Marketing expense	\$ -	\$ 152,723	\$ 226,807	\$ 238,148			
n. Liability insurance	\$ -	\$ 25,323	\$ 37,607	\$ 39,487			
o. Other Expenses: Licensing & legal expenses	\$ -	\$ 14,789	\$ 21,963	\$ 23,061			
TOTAL OPERATING EXPENSES	\$ 548,185	\$ 4,094,420	\$ 4,928,290	\$ 5,154,937	\$ -	\$ -	\$ -
3. INCOME							
a. Income From Operation	\$ (548,185)	\$ (1,882)	\$ 985,830	\$ 1,054,889	\$ -	\$ -	\$ -
b. Non-Operating Income							
SUBTOTAL	\$ (548,185)	\$ (1,882)	\$ 985,830	\$ 1,054,889	\$ -	\$ -	\$ -
c. Income Taxes							
NET INCOME (LOSS)	\$ (548,185)	\$ (1,882)	\$ 985,830	\$ 1,054,889	\$ -	\$ -	\$ -
4. PATIENT MIX							
a. Percent of Total Revenue							
1) Medicare	0.0%	0.0%	0.0%	0.0%			
2) Medicaid	0.0%	0.0%	0.0%	0.0%			
3) Blue Cross	0.0%	0.0%	0.0%	0.0%			
4) Commercial Insurance	0.0%	19.5%	19.5%	19.5%			
5) Self-pay	0.0%	80.5%	80.5%	80.5%			
6) Other	0.0%	0.0%	0.0%	0.0%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
1) Medicare	0.0%	0.0%	0.0%	0.0%			
2) Medicaid	0.0%	0.0%	0.0%	0.0%			
3) Blue Cross	0.0%	0.0%	0.0%	0.0%			
4) Commercial Insurance	0.0%	25.0%	25.0%	25.0%			
5) Self-pay	0.0%	60.0%	60.0%	60.0%			
6) Other	0.0%	15.0%	15.0%	15.0%			
TOTAL	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%