

May 31, 2024

# VIA EMAIL & FEDERAL EXPRESS MAIL

mhcc.confilings@maryland.gov Maryland Health Care Commission 4160 Patterson Avenue Baltimore, Maryland 21215

Re: Second Request for Post Approval Project Change

Construction of a Cancer Center at the

University of Maryland Medical Center (19-24-2438

# Dear Sir/Madam:

On behalf of the applicant University of Maryland Medical Center, LLC ("UMMC"), we are submitting four (4) updated hard copies of Tables G, H, J, and K, which have been revised following discussions with Bob Gallion at the HSCRC. Fields highlighted in blue represent the fields that have been updated since the tables were originally submitted as Exhibit 19 to the Applicant's May 17, 2024 Response to MHCC Request for Additional Information Questions Dated May 6, 2024. We will be providing the EXCEL tables under separate email.

We hereby certify that a copy of this submission has also been forwarded to the appropriate local health planning agency as noted below.

If you have questions about the information provided above, please contact us at your convenience.

Very truly yours,

Thomas C. Dame

Sincerely,

Alison B. Lutich, Esq.



Maryland Health Care Commission May 31, 2024 Page 2

cc: Ben Steffen, Executive Director, MHCC

Wynee Hawk, RN, JD, Director, Center for Health Care Planning & Development, MHCC

Jeanne-Marie Gawel, Acting Chief, Certificate of Need, MHCC

Alexa Bertinelli, Esq., Assistant Attorney General, MHCC

Caitlin E. Tepe, Esq., Assistant Attorney General, MHCC

Ruby Potter, Health Facilities Coordination Officer, MHCC

William Chan, Program Manager, MHCC

Bob Gallion, Associate Director III, Revenue & Regulation Compliance, HSCRC

Dr. Ihuoma Emenuga, Health Commissioner, Baltimore City Health Department

Moira A. Lawson, Program Manager, Certificate of Need, MHCC

Brian Sturm, Vice President, Corporate Decision Support & Capital Planning, UMMS

Dana Farrakhan, Dr. PH, MHS, FACHE, Senior Vice President, Strategy, Community and Business Development, UMMC

Scott Tinsley-Hall, Senior Director, Strategic Planning, UMMC

Christopher Tully, Esq., Associate Counsel, UMMS

Thomas C. Dame, Esq.

# REVISED EXHIBIT 19

## TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY (Revised May 30, 2024)

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.

Indicate CY or FY	Tv	wo Most Recer	nt Year	rs (Actual)	Current Projec	Year ted	order to document that the hospital will generate excess revenues over total expenses cor											
1. REVENUE		1 121		1 122	112			1 124		1 120		1 120				1 120		1 120
a. Inpatient Services	1	\$1,405,371		\$1,431,200	¢1 /	71,160	¢	1,432,600	\$	1,434,650	¢	1,440,117	¢.	1,445,583	¢	1,451,734	\$	1,455,834
b. Outpatient Services		616,878		666,749		72,830	Ф	663,815	Ф	664,765	Ф	667,298	Ф	669,831	Ф	672,681	Ф	674,581
Gross Patient Service Revenues		\$2,022,249		\$2,097,949		43,989		\$2,096,415		\$2,099,415		\$2,107,415		\$2,115,415		\$2,124,415		\$2,130,415
c. Allowance For Bad Debt	\$	49,246	¢			51,929	¢.	50,777	¢.	50,850	\$	51,043	Ф	51,237	\$	51,455	Ф	51,600
d. Contractual Allowance	φ	195,934	Φ	223,069		25,401	φ	220,399	φ	220,715	φ	221,556	φ	222,397	φ	223,343	φ	223,974
e. Charity Care		20,877		21,746		21,973		21,486		21,516		21,598		21,680		21,773		21,834
Net Patient Services Revenue	\$	1,756,192	¢	1,801,742		21,973 8 <b>44,686</b>	¢	1,803,752	¢	1,806,334	¢	1,813,217	¢	1,820,100	\$	1,827,844	¢	1,833,006
f. Other Operating Revenues (Specify/add	Þ	1,750,192	Þ	1,001,742	φ 1,c	44,000	Þ	1,003,732	Þ	1,000,334	Þ	1,013,217	Þ	1,020,100	Þ	1,027,044	Þ	1,033,000
rows if needed)	\$	205,193	\$	219,353	\$ 2	47,431	\$	214,431	\$	214,431	\$	219,431	\$	223,431	\$	226,431	\$	228,431
NET OPERATING REVENUE	\$	1,961,385	\$	2,021,095	\$ 2,0	92,116	\$	2,018,183	\$	2,020,764	\$	2,032,647	\$	2,043,531	\$	2,054,274	\$	2,061,437
2. EXPENSES																		
a. Salaries & Wages (including benefits)	\$	732,429	\$	785,407	\$ 7	86,433	\$	739,633	\$	727,933	\$	738,463	\$	740,897	\$	743,704	\$	743,922
b. Contractual Services		511,461		533,586	5	54,444		551,944		552,944		554,978		556,464		558,053		558,123
c. Interest on Current Debt		17,012		13,377		20,782		22,398		21,944		21,966		21,499		21,030		20,690
d. Interest on Project Debt		-		-		-		-		-		5,438		5,339		5,234		5,125
e. Current Depreciation		94,920		95,624		94,246		92,928		95,170		94,218		93,276		92,343		90,506
f. Project Depreciation		-		-		-		-		-		11,159		12,716		12,975		12,975
g. Current Amortization		-		-		-		-		-		-		-		-		-
h. Project Amortization		-		-		-		-		-		-		-		-		-
i. Supplies		468,373		477,808	5	02,651		492,701		496,901		500,909		504,157		506,927		508,077
j. Other Expenses (Utilities / Insurance)		46,792		51,517		55,431		55,708		55,708		55,708		55,708		55,708		55,708
TOTAL OPERATING EXPENSES	\$	1,870,987	\$	1,957,319	\$ 2,0	13,987	\$	1,955,312	\$	1,950,600	\$	1,982,839	\$	1,990,055	\$	1,995,974	\$	1,995,125
3. INCOME					•	,		, ,		<u> </u>		, ,		, ,				, ,
a. Income From Operation	\$	90,399	\$	63,776	\$	78,129	\$	62,871	\$	70,164	\$	49,808	\$	53,475	\$	58,301	\$	66,311
b. Non-Operating Income	\$	49,675	\$	(55,571)		,		,		· ·		,		•		· ·		,
SUBTOTAL	\$	140,074	\$	8,205	\$	78,129	\$	62,871	\$	70,164	\$	49,808	\$	53,475	\$	58,301	\$	66,311
c. Income Taxes	\$	-	\$	-						•		·		•		•		
NET INCOME (LOSS)	\$	140,074	\$	8,205	\$	78,129	\$	62,871	\$	70,164	\$	49,808	\$	53,475	\$	58,301	\$	66,311
4. PATIENT MIX								<u> </u>						·				
a. Percent of Total Revenue																		
1) Medicare		35.9%		36.8%		37.3%		37.5%		37.7%		37.9%		38.1%		38.3%		38.4%
2) Medicaid		28.4%		28.0%		27.1%		27.1%		27.1%		27.1%		27.0%		26.9%		26.8%
3) Blue Cross		15.8%		16.1%		16.0%		16.0%		16.0%		16.0%		16.0%		16.0%		16.0%
4) Commercial Insurance		15.5%		14.4%		14.0%		14.0%		14.0%		14.0%		14.0%		14.0%		14.0%
5) Self-pay		0.9%		1.2%		1.4%		1.4%		1.3%		1.2%		1.2%		1.2%		1.2%
6) Other		3.6%		3.6%		4.1%		4.0%		3.9%		3.8%		3.7%		3.6%		3.6%
TOTAL		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%

## TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY (Revised May 30, 2024)

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.

are reasonable.												
	Two Most Recer	nt Years (Actual)	Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add column order to document that the hospital will generate excess revenues over total expenses consister Financial Feasibility standard.								
Indicate CY or FY	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29			
b. Percent of Equivalent Inpatient Days												
Total MSGA												
1) Medicare												
2) Medicaid												
3) Blue Cross			UMMC	does not track pay	er's by patient da	ys						
4) Commercial Insurance						l						
5) Self-pay												
6) Other												
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

## TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY--Revised May 30, 2024

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.

					,	arc	t reasoriable.									
	T۱	wo Most Recer	nt Years (Actual)	1	Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add colu order to document that the hospital will generate excess revenues over total expenses consist Financial Feasibility standard.										
Indicate CY or FY		FY21	FY22		FY23		FY24		FY25		FY26		FY27		FY28	FY29
1. REVENUE		•												•		
a. Inpatient Services		\$1,405,371	\$1,431,20	00	\$1,471,160		\$1,461,252		\$1,508,706		\$1,561,403		\$1,615,918		\$1,673,099	\$1,729,837
b. Outpatient Services		616,878	666,74	49	672,830		\$677,091		\$699,080		\$723,498		\$748,758		\$775,254	\$801,544
Gross Patient Service Revenues		\$2,022,249	\$2,097,94	19	\$2,143,989		\$2,138,343		\$2,207,786		\$2,284,902		\$2,364,676		\$2,448,353	\$2,531,382
c. Allowance For Bad Debt	\$	49,246	\$ 51,39	-	\$ 51,929	\$		\$	53,474	97	55,342	\$	57,274	\$	59,301	\$ 61,312
d. Contractual Allowance		195,934	223,00		225,401		224,807		232,108		240,215		248,602		257,399	266,128
e. Charity Care		20,877	21,74	46	21,973		21,915		22,627		23,418		24,235		25,093	25,944
Net Patient Services Revenue	\$	1,756,192	\$ 1,801,7	42	\$ 1,844,686	\$	1,839,828	\$	1,899,577	*	\$ 1,965,926	\$	2,034,564	\$	2,106,560	\$ 2,177,998
f. Other Operating Revenues (Specify/add rows if needed)	\$	205,193	\$ 219,38	53	\$ 247,431	\$	218,719	\$	225,499	4	237,911	\$	249,758	\$	260,958	\$ 271,424
NET OPERATING REVENUE	\$	1,961,385	\$ 2,021,0	95	\$ 2,092,116		\$2,058,547		\$2,125,076		\$2,203,837		\$2,284,322		\$2,367,518	\$2,449,421
2. EXPENSES		<u> </u>														
a. Salaries & Wages (including benefits)	\$	732,429	\$ 785,40	07	\$ 786,433	\$	765,520	\$	776,013	9	810,856	\$	837,934	\$	866,342	\$ 892,593
b. Contractual Services		511,461	533,58	86	554,444	\$	568,502	\$	583,771	9	600,566	\$	617,228	\$	634,465	\$ 650,409
c. Interest on Current Debt		17,012	13,3	77	20,782		22,398		21,944		21,966		21,499		21,030	20,690
d. Interest on Project Debt		-	-		-		-		-		5,438		5,339		5,234	5,125
e. Current Depreciation		94,920	95,62	24	94,246		92,928		95,170		94,218		93,276		92,343	90,506
f. Project Depreciation		-	-		-		-		-		11,159		12,716		12,975	12,975
g. Current Amortization		-	-		=		=		=		-		-		=	-
h. Project Amortization		-	-		-		-		-		-		-		-	-
i. Supplies		468,373	477,80		502,651	\$	- ,-			97			596,912	\$	625,700	\$ 653,771
j. Other Expenses (Utilities / Insurance)		46,792	51,5°	17	55,431	\$	57,379	\$	58,908	97	60,478	\$	62,090	\$	63,745	\$ 65,444
TOTAL OPERATING EXPENSES	\$	1,870,987	\$ 1,957,3°	19	\$ 2,013,987	\$	2,021,600	\$	2,077,136	97	2,173,570	\$	2,246,994	\$	2,321,834	\$ 2,391,513
3. INCOME																
a. Income From Operation	\$	90,399				\$	36,947	\$	47,940	97	30,268	\$	37,328	\$	45,684	\$ 57,908
b. Non-Operating Income	\$	49,675	\$ (55,57	71)	\$ -											
SUBTOTAL	\$	140,074	\$ 8,2	05	\$ 78,129	\$	36,947	\$	47,940	,	\$ 30,268	\$	37,328	\$	45,684	\$ 57,908
c. Income Taxes	\$	-	\$	-	\$ -											
NET INCOME (LOSS)	\$	140,074	\$ 8,2	05	\$ 78,129	\$	36,947	\$	\$ 47,940	,	\$ 30,268	\$	37,328	\$	45,684	\$ 57,908
4. PATIENT MIX																
a. Percent of Total Revenue																
1) Medicare		35.9%	36.8	-	37.3%		37.5%		37.7%	_	37.9%		38.1%		38.3%	38.4%
2) Medicaid		28.4%	28.0		27.1%		27.1%		27.1%	_	27.1%		27.0%		26.9%	26.8%
3) Blue Cross		15.8%	16.		16.0%		16.0%		16.0%	_	16.0%		16.0%	<u> </u>	16.0%	16.0%
4) Commercial Insurance		15.5%	14.4		14.0%		14.0%		14.0%	L	14.0%		14.0%	<u> </u>	14.0%	14.0%
5) Self-pay		0.9%	1.2		1.4%		1.4%		1.3%	L	1.2%		1.2%	<u> </u>	1.2%	1.2%
6) Other		3.6%	3.0	_	4.1%		4.0%	L	3.9%	_	3.8%		3.7%		3.6%	3.6%
TOTAL		100.0%	100.0	0%	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	100.0%

#### TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY--Revised May 30, 2024

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

	Two Most Recer	nt Years (Actual)	Current Year Projected		Projected Years (ending at least two years after project completion and full occupancy) order to document that the hospital will generate excess revenues over total expensions Financial Feasibility standard.						
Indicate CY or FY	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29		
b. Percent of Equivalent Inpatient Days  Total MSGA											
1) Medicare											
2) Medicaid											
3) Blue Cross				UMMC does not	track payer's by p	atient days					
4) Commercial Insurance											
5) Self-pay											
6) Other											
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

# TABLE J. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE (Revised May 2024)

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.

						oject comple e excess rev			
				 _		easibility sta		 	
Indicate CY or FY			FY26	FY27		FY28	FY29		
1. REVENUE									
a. Inpatient Services									
b. Outpatient Services									
Gross Patient Service Revenues	\$	- \$	-	\$ -	\$	-	\$ -	\$ -	\$
c. Allowance For Bad Debt									
d. Contractual Allowance									
e. Charity Care									
Net Patient Services Revenue	\$	- \$	-	\$ -	\$	-	\$ -	\$ -	\$
f. Other Operating Revenues (Specify)									
NET OPERATING REVENUE	\$	- \$	-	\$ -	\$	-	\$ -	\$ -	\$
2. EXPENSES									
a. Salaries & Wages (including benefits)		\$	10,530	\$ 12,964	\$	15,771	\$ 15,988		
b. Contractual Services		\$	2,034	\$ 3,520	\$	5,108	\$ 5,179		
c. Interest on Current Debt									
d. Interest on Project Debt		\$	5,438	\$ 5,339	\$	5,234	\$ 5,125		
e. Current Depreciation									
f. Project Depreciation		\$	11,159	\$ 12,716	\$	12,975	\$ 12,975		
g. Current Amortization			,	,	·	•	•		
h. Project Amortization									
i. Supplies		\$	1,434	\$ 2,481	\$	3,601	\$ 3,651		
j. Other Expenses (Specify)			•	· · · · · · · · · · · · · · · · · · ·	<u> </u>	•	•		
Other Expense (Utilities)									
TOTAL OPERATING EXPENSES	\$	- \$	30,594	\$ 37,019	\$	42,689	\$ 42,919	\$ -	\$
3. INCOME	•		•	·		·	•	•	
a. Income From Operation	\$	- \$	(30,594)	\$ (37,019)	\$	(42,689)	\$ (42,919)	\$ -	\$ -
b. Non-Operating Income			•	<u> </u>					
SUBTOTAL	\$	- \$	(30,594)	\$ (37,019)	\$	(42,689)	\$ (42,919)	\$ -	\$ -
c. Income Taxes									
NET INCOME (LOSS)	\$	- \$	(30,594)	\$ (37,019)	\$	(42,689)	\$ (42,919)	\$ -	\$ _

# TABLE J. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE (Revised May 2024)

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.

	<b>5</b> 1 4 137	, ,,					
			st two years afte				
	in order to doci	ument that the h	ospital will gene			l expenses cons	istent with the
			Financi	ial Feasibility sta	andard.		
Indicate CY or FY		FY26	FY27	FY28	FY29		
4. PATIENT MIX							
a. Percent of Total Revenue							
1) Medicare							
2) Medicaid							
3) Blue Cross							
4) Commercial Insurance							
5) Self-pay							
6) Other							
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
Total MSGA							
1) Medicare							
2) Medicaid							
3) Blue Cross							
4) Commercial Insurance							
5) Self-pay							
6) Other							
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE (Revised May 2024)

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.

	Projec	cted Year	s (en	ding at leas	t two	o years after	proi	ect complet	ion a	and full occu	pancy	Add vea	rs. if nee	eded ir
				•		tal will gene		•						
						•		easibility sta						
Indicate CY or FY				FY26		FY27		FY28		FY29				
1. REVENUE		•									-		•	
a. Inpatient Services														
b. Outpatient Services														
Gross Patient Service Revenues	\$	-	\$	•	\$	-	\$	•	\$	-	\$	-	\$	
c. Allowance For Bad Debt														
d. Contractual Allowance														
e. Charity Care														
Net Patient Services Revenue	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
f. Other Operating Revenues (Specify)														
NET OPERATING REVENUE	\$	-	\$	•	\$	1	\$	-	\$	-	\$	-	\$	
2. EXPENSES														
a. Salaries & Wages (including benefits)			\$	11,563	\$	14,662	\$	18,371	\$	19,184				
b. Contractual Services			\$	2,208	\$	3,923	\$	5,845	\$	6,084				
c. Interest on Current Debt														
d. Interest on Project Debt			\$	5,438	\$	5,339	\$	5,234	\$	5,125				
e. Current Depreciation								,						
f. Project Depreciation			\$	11,159	\$	12,716	\$	12,975	\$	12,975				
g. Current Amortization			•			·	-	·	•					
h. Project Amortization														
i. Supplies			\$	1,628	\$	2,938	\$	4,445	\$	4,698				
j. Other Expenses (Specify)						·								
Other Expense (Utilities)														
TOTAL OPERATING EXPENSES	\$	-	\$	31,995	\$	39,577	\$	46,871	\$	48,066	\$	-	\$	
3. INCOME	•													
a. Income From Operation	\$	-	\$	(31,995)	\$	(39,577)	\$	(46,871)	\$	(48,066)	\$		\$	
b. Non-Operating Income														
SUBTOTAL	\$	-	\$	(31,995)	\$	(39,577)	\$	(46,871)	\$	(48,066)	\$	-	\$	-
c. Income Taxes														
NET INCOME (LOSS)	\$	_	\$	(31,995)	¢	(39,577)	¢	(46,871)	¢	(48,066)	¢	_	\$	-

# TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE (Revised May 2024)

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.											
Indicate CY or FY		FY26	FY27	FY28	FY29								
a. Percent of Total Revenue													
1) Medicare													
2) Medicaid													
3) Blue Cross													
4) Commercial Insurance													
5) Self-pay													
6) Other													
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
b. Percent of Equivalent Inpatient Days													
Total MSGA													
1) Medicare													
2) Medicaid													
3) Blue Cross													
4) Commercial Insurance		·	·										
5) Self-pay		·	·										
6) Other		·	·										
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						

	2024	2025	2026	2027	2028	2029
Assumptions to Revenue	<u>'</u>	<u> </u>		<u> </u>	•	
Inflation	2.00%	3.10%	3.10%	3.10%	3.10%	3.10%
Quality Adjustments	-0.82%	0.15%	0.10%	0.00%	0.00%	0.00%
Demographic Factor	-0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
Market Shift	-0.30%	0.00%	0.00%	0.05%	0.10%	0.06%
Innovation	-0.51%	0.00%	0.29%	0.29%	0.29%	0.19%
High Cost Drug Funding	0.00%	0.00%	0.00%	0.05%	0.05%	0.03%
All Other	-0.15%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	-0.26%	3.25%	3.49%	3.49%	3.54%	3.39%

	2024	2025	2026	2027	2028	2029
Assumptions to Salaries						
Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Performance Improvement <sup>1</sup>	(\$46.8M)	(\$11.7M)				
New Facility				Variable w/ Volume	)	

<sup>&</sup>lt;sup>1</sup> Salaries in the current and prior fiscal year reflect an environment that is heavily dependent on temporary and other premium labor. This is driving up salaries due to the extremely high cost of that labor. UMMC has an action plan in place over the next two years to reduce both the hourly rate for temporary labor (anticipated softening of the market nationwide) as well as the number of premium FTEs. The reduction in FTEs is due to efficiency improvements driving down the number of FTEs needed to provide the care as well market equity salary adjustments to facilitate hiring of regular FTEs. These changes drive the salaries down which is reflected in the Work Force Table under "Other Anticipated Changes"

	2024	2025	2026	2027	2028	2029
Assumptions to Benefits						
	21.8%	21.8%	21.8%	21.8%	21.8%	21.8%
	2024	2025	2026	2027	2028	2029
Other Inflation Assumptions)						
Drugs	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Supplies	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Purchased Services	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Physician Services	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Insurance	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%