

January 18, 2023

Ms. Hare,

Please find CESC's amended response to question 3 from the December 2022 *Request for Clarification of CESC's Answers to Completeness Questions*. Question 4 is also amended as the data is relevant to amended Question 3. All applicable CON application tables have been amended to reflect the amended case volume, and are included with this submission. These include: Tables 1, 2, 3, 4, G, H and L.

3. *In response to question 21, your submission indicates that CESC will not have optimal capacity in accordance with COMAR 10.24.11.06A(1)(b)(iii), therefore, can you demonstrate a different optimal capacity standard based on subdivisions 1 through 3 of the same regulation?*

Response: CESC will maintain optimal capacity in accordance with COMAR 10.24.11.06A(1)(b)(iii), and assumes the tables included with this submission provide a clearer picture of the current and projected utilization. Pages 3 and 4 include tables with each described in narrative below.

Table Number and Narrative

1. Projections Submitted for CON Table 1 (see page 2)

This is the projections table, previously provided, to use as reference. See blue highlighted section for Total Surgical Minutes in ORs.

2. Amended Projections for CON Table 1 (see page 2)

This is the amended projections table to show Total Surgical Minutes in ORs, as highlighted in blue.

When previously submitted case minute reports were generated from CESC's patient management system, ModMed, it was assumed the case minutes in the OR included time in which the patient was being assessed by anesthesia and prepped for the surgical procedure, including the "Time Out" safety check Medicare requires, before surgery, to verify the correct patient and procedure. After further review and analysis CESC realized these minutes were not captured in the case minute reports and therefore did not reflect actual time in which the OR was patient occupied. These minutes are important to capture because they show the time in which the operating room is allocated to the patient and procedure and therefore not available for any other patient or procedure. What the previous report accurately captured was the time in which the incision was made and time in which the incision was closed. By including the additional surgical assessment and preparatory minutes inherent with each case CESC is able to more accurately reflect "OR minutes". The amended data is derived using the patient management system ModMed. Initially, the system report type "Procedure Start" to Procedure End" was used to derive the utilization data. For the amended data CESC used a more accurate report to capture ALL minutes allocated to a patient. This report type is "OR Arrive" to "OR Leave". CESC is confident with the accuracy and

integrity of the data as it resides in the patient medical record, and originates during patient encounters with administrative and health care providers on the day of surgery. CESC is happy to provide, upon request, all data reports used to derive the amended data.

NOTE: There is a slight discrepancy in historical total cases in the OR from the first table to the amended table (amended table shows a slight decrease in total cases in the OR) because CESC was able to use actual data for the amended report, since closing calendar year 2022 that included any updated billing office reconciliation and invoice settlements.

3. Operating Room Projection and Utilization (see page 3)

Several points are to be made with this table. 1) The table includes the accurate total surgical minutes in the ORs. 2) Where CESC previously reported a “new provider” for 2024 and projected the case volume, CESC has now finalized Dr. Patel’s contract to join the surgery center and has secured the projected volume. An attestation for Dr. Patel is included with this submission. 3) Since submitting the CON application and after submitting Clarification to Completeness Question responses in December 2022, CESC is negotiating yet another provider to start in 2024. The projected volume is included in the table and Dr. Scott has provided an attestation to support the volume. 4) While in the process of completing the CON application, CESC continues to demonstrate intent, through these most recent business decisions, to grow their surgical practice and case volume. Looking at CY 2023, CESC demonstrates utilization compliance with COMAR 10.24.11.06A(1)(b)(ii), achieving full capacity (2,040 hours per year). In fact, CESC shows 118% utilization, demonstrating the need for a third operating room. In calendar years 2024 and 2025 CESC will meet optimal capacity (96% for 2024 and 99% for 2025). In calendar year 2026, CESC will meet full capacity. CESC understands utilization for the most recent 12-months meets, at minimum, the standard for optimal capacity and reports 80% capacity in 2021 and 78% in 2022.

CESC has already shared with MHCC a few unforeseen circumstances in 2021 that continued to impact the 2022 case volume. 1) Recovering from the negative impact of COVID; case cancellations related to patient concerns for safety and spread of infection, State mandated surgery center closures for elective eye surgery, patients unable to receive the eye surgery needed to restore clear vision and quality of life, surgery center financial hardship from loss of revenue, health care worker financial hardship from loss of wages, health care worker stress from working more hours due to a nationwide shortage of licensed healthcare workers, and 2) Dr. Scott’s leave for two months. CESC is asking MHCC to take into consideration these rare and untimely circumstances when evaluating the CON application and previous 12-month case hours.

4. Operating Room Utilization (with assumed cases for Dr. Scott) (see page 3)

This table considers what the case volume would reflect if Dr. Scott (the center’s highest volume provider), had not taken emergency medical leave. The method used to determine this volume was taking an average of Dr. Scott’s volume for the same two months, in the previous year. With this assumed volume included, CESC demonstrates meeting optimal capacity in 2022, at 84%.

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Certificate of Need Application
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TABLE 1 - Projections Submitted for CON Table 1

CY	Two Most Actual Ended Recent Years		Current Year	Projected Years (ending with first full year at full utilization)			
	2020	2021	Projected 2022	2023	2024	2025	2026
a. Number of operating rooms (ORs)	2	2	2	3	3	3	3
Total Procedures in ORs	3,325	4,323	4,517	6,538	6,603	6,669	6,736
Total Cases in ORs	2,309	3,604	3,850	5,384	5,738	5,972	6,027
Total Surgical Minutes in ORs**	103,623	141,016	149,889	207,174	223,646	234,379	236,492
b. Number of Procedure Rooms (PRs)	2	2	2	2	2	2	2
Total Procedures in PRs	1,558	3,121	3,141	4,055	4,096	4,137	4,178
Total Cases in PRs	1,558	3,121	3,141	4,055	4,096	4,137	4,178
Total Minutes in PRs**	31,160	62,420	62,816	81,107	95,576	96,532	97,497

TABLE 2 - Amended Projections for CON Table 1

CY	Two Most Actual Ended Recent Years		Current Year	Projected Years (ending with first full year at full utilization)			
	2020	2021	Projected 2022	2023	2024	2025	2026
a. Number of operating rooms (ORs)	2	2	2	3	3	3	3
Total Procedures in ORs	3,325	4,323	4,166	6,544	6,610	6,676	6,743
Total Cases in ORs	2,331	3,585	3,541	5,445	6,755	6,990	7,045
Total Surgical Minutes in ORs**	139,867	194,622	191,668	289,155	352,352	363,882	366,801
b. Number of Procedure Rooms (PRs)	2	2	2	2	2	2	2
Total Procedures in PRs	1,558	3,121	3,141	4,055	4,096	4,137	4,178
Total Cases in PRs	1,558	3,121	3,141	4,055	4,096	4,137	4,178
Total Minutes in PRs**	31,160	62,420	62,816	81,107	95,576	96,532	97,497

** 2022 numbers down due the owner Physician, Dr. Scott, on medical leave for all of April and May (back surgery)

*** We expect a significant ramp from newer physicians and physicians who have recently been hired (Dr. Luke Chang)

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TABLE 3 - Operating Room Projection and Utilization

		CY20	CY 21	CY 22	CY 23	CY 24	CY 25	CY 26
Minutes	Benjamin, Erin	79	-	-	-	-	-	-
Minutes	Chang, Luke	-	-	3,663	48,960	49,450	49,944	50,444
Minutes	Diala, Prisca	-	-	-	-	-	-	-
Minutes	Dryjski, Olivia	5,630	7,142	21,627	31,506	31,821	32,139	32,460
Minutes	Nesti, Heather	34,138	48,570	55,925	62,352	62,975	63,605	64,241
Minutes	Scott, Maria	68,728	85,235	41,515	47,484	47,959	48,439	48,923
Minutes	Srivastava, Gaurav	6,020	17,733	36,286	61,599	62,215	62,837	63,465
Minutes	Zwick, Orin	25,272	35,942	32,652	34,230	34,572	34,918	35,267
Minutes	Patel, Shaivi	-	-	-	3,024	48,960	48,960	48,960
Minutes	New Doc 2024	-	-	-	-	14,400	23,040	23,040
Total Surgical Minutes in ORs		139,867	194,622	191,668	289,155	352,352	363,882	366,801

Rooms	2	2	2	2	3	3	3
Threshold Hours Per Room	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Total Threshold Hours	4,080	4,080	4,080	4,080	6,120	6,120	6,120
Hours	2,331	3,244	* 3,194	4,819	5,873	6,065	6,113
Utilization	57%	80%	78%	118%	96%	99%	100%

TABLE 4 - Operating Room Utilization (with assumed cases for Dr. Scott)

Rooms	2	2	2	2	3	3	3
Threshold Hours Per Room	2,040	2,040	2,040	2,040	2,040	2,040	2,040
Total Threshold Hours	4,080	4,080	4,080	4,080	6,120	6,120	6,120
Hours	2,331	3,244	* 3,440	4,819	5,873	6,065	6,113
Utilization	57%	80%	84%	118%	96%	99%	100%

4. In response to question 22(ii) you provided a table of “Estimated Minutes Per Case” but the information contained within the chart is the estimated minutes per provider for 2023 and 2024. Provide a chart with the facility’s estimated minutes per case or time per patient.

Response: Below is a chart showing CESC’s estimated minutes per case for years 2023 and 2024. This information is amended and consistent with amended minutes per case.

Amended CESC Estimated Minutes Per Case by Provider

	Minutes per Case 2023	Minutes per Case 2024
Chang, Luke		
Aqueous Tube Shunt w/ Patch Graft	165	165
Bleb-Wound Revision w/Conjunctival Advancement	77	77
Bleb-Wound Revision with Needling	55	55
Cataract Wound Revision	38	38
MIGS-Micro Invasive Glaucoma Surgery	35	35
MPD-Micropulse Diode Cyclophotocoagulation	40	40
Phaco IOL w/ Femto Laser	61	61
Phaco IOL w/ Micro Implantable Stent	60	60
Phaco with IOL	46	46
Tube Shunt Revision	121	121
Dryjski, Olivia		
Cataract Wound Revision	81	81
Conjunctival Biopsy	52	52
Cornea	38	38
Cornea Biopsy	61	61
Corneal Transplant	163	163
DMEK- Descemet's Membrane Endothelial Keratoplasty	157	157
DSEK-Descemet's Stripping Endothelial Keratoplasty	124	124
EDTA Chelation	53	53
Excision of Conjunctival Lesion w/ Graft	107	107
IOL Exchange	106	106
Lesion Removal	48	48
Phaco IOL w/ Femto Laser	53	53
Phaco IOL w/DMEK	126	126
Phaco IOL w/DSEK	118	118
Phaco IOL w/Femto Laser/Goniotomy	64	64
Phaco with IOL	43	43
Pinguecula Excision	87	87
Pterygium Excision	88	88
Reposition of IOL	35	35
Nesti, Heather		
Aqueous Shunt (Ahmed) w/ Scleral Reinforcement	89	89
Aqueous Shunt (Baerveldt) w/Scleral Reinforcement	91	91
Aqueous Tube Shunt w/ Patch Graft	96	96

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Bleb-Wound Revision w/Conjunctival Advancement	107	107
Bleb-Wound Revision with Needling	53	53
Cataract Wound Revision	62	62
Conjunctival Biopsy	41	41
Fragment Removal	28	28
Goniotomy	44	44
IOL Exchange	56	56
LRI - Limbal Relaxing Incision	32	32
MIGS-Micro Implantable Glaucoma Stent with MPD	45	45
MIGS-Micro Invasive Glaucoma Surgery	53	53
MPD-Micropulse Diode Cyclophotocoagulation	39	39
Phaco IOL w/ Femto Laser	54	54
Phaco IOL w/ Femto Laser/ MIG	64	64
Phaco IOL w/ Goniotomy	53	53
Phaco IOL w/ Micro Implantable Stent	52	52
Phaco IOL w/ Trabeculectomy/MMC	98	98
Phaco IOL w/Aqueous Shunt with Scleral Reinforcem	110	110
Phaco IOL w/Femto Laser/Goniotomy	57	57
Phaco IOL w/Femto Laser/MIG/Goniotomy/MDP	66	66
Phaco IOL w/Femto Laser/Trab/MMC	102	102
Phaco IOL w/Femto/Aqueous Shunt Scleral Reinforce	114	114
Phaco with IOL	39	39
PI - Peripheral Iridotomy Laser	3	3
Pterygium Excision	74	74
Reposition of IOL	36	36
Trabeculectomy w/ MMC Possible Shunt	94	94
Tube Shunt Revision	79	79
Wound Revision	33	33
Scott, Maria		
Fragment Removal	35	35
IOL Exchange	48	48
LRI - Limbal Relaxing Incision	31	31
Phaco IOL w/ Femto Laser	54	54
Phaco IOL w/ Femto Laser/ MIG	60	60
Phaco IOL w/ Goniotomy	56	56
Phaco IOL w/ Micro Implantable Stent	53	53
Phaco with IOL	36	36
Reposition of IOL	37	37
Srivastava, Gaurav		
Phaco IOL w/ Femto Laser	65	65

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Phaco IOL w/Femto Laser/Goniotomy	78	78
Phaco with IOL	45	45
Zwick, Orin		
Blepharoplasty	64	64
Brow Ptosis Repair	112	112
Chalazion Removal	33	33
DCR - Dacryocystorhinostomy	78	78
Direct Brow Lift	67	67
Ectropion Repair	60	60
Entropion Repair	57	57
Gold Weight Implant	51	51
Lesion Removal	37	37
Mohs Reconstruction	80	80
Oculoplastics	60	60
Orbitotomy	44	44
Probing Lacrimal System with Tube	51	51
Probing of Nasal Lacrimal Duct	51	51
Ptosis Repair	68	68
Ptosis Repair- External Levator	49	49
Ptosis Repair-Tarso-Levator Resection	42	42
Removal of Benign Orbital Tumor	26	26
Removal of Foreign Body	32	32
Repair of Brow Ptosis	121	121
Take Down	32	32
Tarsorrhaphy	42	42

TABLE 1: STATISTICAL PROJECTIONS - ENTIRE FACILITY (including proposed project)

(Includes turnaround time)

CY or FY (Circle)	Two Most Actual Ended Recent Years		Current Year Projected	Projected Years (ending with first full year at full utilization)			
	2020	2021	2022	2023	2024	2025	2026
a. Number of operating rooms (ORs)	2	2	2	3	3	3	3
Total Procedures in ORs	3,325	4,323	4,166	6,544	6,610	6,676	6,743
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b. Number of Procedure Rooms (PRs)	2	2	2	2	2	2	2
Total Procedures in PRs	1,558	3,121	3,141	4,055	4,096	4,137	4,178
Total Cases in PRs	1,558	3,121	3,141	4,055	4,096	4,137	4,178
Total Minutes in PRs**	31,160	62,420	62,816	81,107	95,576	96,532	97,497

TABLE 2: STATISTICAL PROJECTIONS - PROPOSED PROJECT

(Includes turnaround time)

CY or FY (Circle)	Projected Years			
	(Ending with first full year at full utilization)			
	2023	2024	2025	2026
a. Number of operating rooms (ORs)	1	1	1	1
Total Procedures in ORs	2,181	2,203	2,225	2,248
Total Cases in ORs	1,815	2,252	2,330	2,348
Total Surgical Minutes in ORs**	96,385	117,451	121,294	122,267
b. Number of Procedure Rooms (PRs)	-	-	-	-
Total Procedures in PRs	-	-	-	-
Total Cases in PRs	-	-	-	-
Total Minutes in PRs**	-	-	-	-

TABLE 4: REVENUES AND EXPENSES - PROPOSED PROJECT

CY or FY (Circle)	Projected Years (Ending with first full year at full utilization)			
	2023	2024	2025	2026
1. Revenues				
a. Inpatient Services	-	-	-	-
b. Outpatient Services	\$6,607,415	\$8,059,938	\$8,379,062	\$8,447,751
c. Gross Patient Services Revenue	\$6,607,415	\$8,059,938	\$8,379,062	\$8,447,751
d. Allowance for Bad Debt	\$7,608	\$7,836	\$8,071	\$8,313
e. Contractual Allowance	\$3,101,190	\$3,781,419	\$3,931,032	\$3,963,482
f. Charity Care	\$22,160	\$26,963	\$27,997	\$28,276
g. Net Patient Care Service Revenues	\$3,476,458	\$4,243,719	\$4,411,962	\$4,447,679
h. Total Net Operating Revenue	\$3,476,458	\$4,243,719	\$4,411,962	\$4,447,679
2. Expenses				
a. Salaries, Wages, (including fringe benefits)	\$563,118	\$719,915	\$751,673	\$759,842
b. Contractual Services	\$57,081	\$58,793	\$60,557	\$62,374
c. Interest on Current Debt	-	-	-	-
d. Interest on Project Debt	-	-	-	-
e. Current Depreciation	\$55,333	\$55,333	\$55,333	\$55,333
f. Project Depreciation	\$19,733	\$19,733	\$19,733	\$19,733
g. Current Amortization	-	-	-	-
h. Project Amortization	-	-	-	-
i. Supplies	\$1,406,033	\$1,724,463	\$1,790,762	\$1,805,032
j. Other Expenses	\$114,662	\$118,102	\$121,645	\$125,294
k. Total Operating Expenses	\$2,215,960	\$2,696,340	\$2,799,703	\$2,827,609
3. Income				
a. Income from Operation	\$1,260,498	\$1,547,379	\$1,612,259	\$1,620,070
b. Non-Operating Income	-	-	-	-
c. Subtotal	\$1,260,498	\$1,547,379	\$1,612,259	\$1,620,070
d. Income Taxes	-	-	-	-
e. Net Income (Loss)	\$1,260,498	\$1,547,379	\$1,612,259	\$1,620,070
4. Patient Mix:				
A. Percent of Total Revenue				
1. Medicare	39.7%	39.7%	39.7%	39.7%
2. Medicaid	0.5%	0.5%	0.5%	0.5%
3. Blue Cross	12.4%	12.4%	12.4%	12.4%
4. Commercial Insurance	8.9%	8.9%	8.9%	8.9%
5. Self-Pay	38.6%	38.6%	38.6%	38.6%
6. Other (Specify)	-0.1%	-0.1%	-0.1%	-0.1%
7. TOTAL	100%	100%	100%	100%
B. Percent of Patient Days/Visits/Procedures (as applicable)				
1. Medicare	37.4%	37.4%	37.4%	37.4%
2. Medicaid	0.6%	0.6%	0.6%	0.6%
3. Blue Cross	9.0%	9.0%	9.0%	9.0%
4. Commercial Insurance	8.6%	8.6%	8.6%	8.6%
5. Self-Pay	44.2%	44.2%	44.2%	44.2%
6. Other (Specify)	0.1%	0.1%	0.1%	0.1%
7. TOTAL	100%	100%	100%	100%

Individual Physician's Submission

Physician Name (Turnaround time included for mins)	Surgical Volume Latest 2 complete years				Current Year		Projections							
	2020		2021		2022		2023		2024		2025		2026	
	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes	Cases	Minutes
1 Maria Scott	1,205	68,728	1,695	85,235	860	41,515	984	47,484	994	47,959	1,004	48,439	1,014	48,923
2 Olivia Dryjski	90	5,630	129	7,142	406	21,627	600	31,506	606	31,821	612	32,139	618	32,460
3 Heather Nesti	595	34,138	914	48,570	1,097	55,925	1,200	62,352	1,212	62,975	1,224	63,605	1,236	64,241
4 Orin Zwick	349	25,272	557	35,942	512	32,652	558	34,230	563	34,572	569	34,918	574	35,267
5 Gaurav Srivastava	91	6,020	290	17,733	599	36,286	1,020	61,599	1,030	62,215	1,041	62,837	1,051	63,465
6 Prisca Diala	N/A Only Yags (Does not work in the OR)													
7 Luke Chang	-	-	-	-	67	3,663	1,020	48,960	1,030	49,450	1,041	49,944	1,051	50,444
8 Patel, Shaiivi	-	-	-	-	-	-	63	3,024	1,020	48,960	1,020	48,960	1,020	48,960
9 2023 New Hire	-	-	-	-	-	-	-	-	300	14,400	480	23,040	480	23,040

* 5 most frequently performed surgeries, two most recent years
 ** List in descending order based on the cumulative 2 year volume

Physician Name: Maria Scott

Surgical Procedure*	2020	2021
1 Phaco IOL w/ Femto Laser	887	1216
2 Phaco with IOL	281	443
3 Phaco IOL w/ Femto Laser/ MIG	9	16
4 Phaco IOL w/ Micro Implantable Stent	2	6
5 LRI - Limbal Relaxing Incision	-	1

Physician Name: Olivia Dryjski

Surgical Procedure*	2020	2021
1 Phaco IOL w/ Femto Laser	44	69
2 Phaco with IOL	32	32
3 Pterygium Excision	7	8
4 Lesion Removal	1	4
5 Cornea Biopsy	-	3

Physician Name: Heather Nesti

Surgical Procedure*	2020	2021
1 Phaco IOL w/ Femto Laser	284	472
2 Phaco with IOL	187	305
3 Phaco IOL w/ Femto Laser/ MIG	28	35
4 Phaco IOL w/ Micro Implantable Stent	16	22
5 Aqueous Tube Shunt w/ Patch Graft	6	11

Physician Name: Orin Zwick

Surgical Procedure*	2020	2021
Blepharoplasty	133	233
Ptosis Repair	46	116
Mohs Reconstruction	51	57
Oculoplastics	34	49
Entropion Repair	12	16

Physician Name: Gaurav Srivastava

Surgical Procedure*	2020	2021
Phaco IOL w/ Femto Laser	71	225
Phaco with IOL	15	64
Phaco IOL w/Femto Laser/Goniotomy	-	1

Physician Name: Luke Chang

Surgical Procedure*	2022
Phaco with IOL	31
Phaco IOL w/ Femto Laser	25
Phaco IOL w/ Micro Implantable Stent	2
MPD-Micropulse Diode Cyclophotocoagulation	3
MIGS-Micro Invasive Glaucoma Surgery	1

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.

	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.						
	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026			
1. REVENUE										
a. Inpatient Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
b. Outpatient Services	\$ 9,308,610	\$ 13,609,049	\$ 13,525,033	\$ 19,822,246	\$ 24,179,813	\$ 25,137,187	\$ 25,343,253			
Gross Patient Service Revenues	\$ 9,308,610	\$ 13,609,049	\$ 13,525,033	\$ 19,822,246	\$ 24,179,813	\$ 25,137,187	\$ 25,343,253	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ -	\$ 22,383	\$ 22,159	\$ 22,824	\$ 23,508	\$ 24,214	\$ 24,940			
d. Contractual Allowance	\$ 2,424,224	\$ 6,298,283	\$ 6,287,041	\$ 9,303,570	\$ 11,344,258	\$ 11,793,095	\$ 11,890,447			
e. Charity Care	\$ 2,309	\$ -	\$ 2,045	\$ 66,479	\$ 80,890	\$ 83,991	\$ 84,828			
Net Patient Services Revenue	\$ 6,882,077	\$ 7,288,382	\$ 7,213,788	\$ 10,429,373	\$ 12,731,156	\$ 13,235,887	\$ 13,343,038	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)										
NET OPERATING REVENUE	\$ 6,882,077	\$ 7,288,382	\$ 7,213,788	\$ 10,429,373	\$ 12,731,156	\$ 13,235,887	\$ 13,343,038	\$ -	\$ -	\$ -
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 971,515	\$ 1,148,581	\$ 1,314,640	\$ 1,689,353	\$ 2,159,744	\$ 2,255,019	\$ 2,279,526			
b. Contractual Services	\$ 169,560	\$ 175,529	\$ 166,255	\$ 171,243	\$ 176,380	\$ 181,671	\$ 187,122			
c. Interest on Current Debt										
d. Interest on Project Debt										
e. Current Depreciation	\$ 163,000	\$ 166,000	\$ 166,000	\$ 166,000	\$ 166,000	\$ 166,000	\$ 166,000			
f. Project Depreciation				\$ 59,200	\$ 59,200	\$ 59,200	\$ 59,200			
g. Current Amortization										
h. Project Amortization										
i. Supplies	\$ 2,975,490	\$ 3,017,349	\$ 2,809,844	\$ 4,218,098	\$ 5,173,389	\$ 5,372,285	\$ 5,415,095			
j. Other Expenses (Office Expense + medical surgical costs + marketing + Professional fees)	\$ 286,073	\$ 311,771	\$ 333,967	\$ 343,986	\$ 354,306	\$ 364,935	\$ 375,883			
TOTAL OPERATING EXPENSES	\$ 4,565,639	\$ 4,819,229	\$ 4,790,707	\$ 6,647,880	\$ 8,089,019	\$ 8,399,110	\$ 8,482,826	\$ -	\$ -	\$ -
3. INCOME										
a. Income From Operation	\$ 2,316,438	\$ 2,469,153	\$ 2,423,082	\$ 3,781,493	\$ 4,642,137	\$ 4,836,777	\$ 4,860,211	\$ -	\$ -	\$ -
b. Non-Operating Income										
SUBTOTAL	\$ 2,316,438	\$ 2,469,153	\$ 2,423,082	\$ 3,781,493	\$ 4,642,137	\$ 4,836,777	\$ 4,860,211	\$ -	\$ -	\$ -
c. Income Taxes										
NET INCOME (LOSS)	\$ 2,316,438	\$ 2,469,153	\$ 2,423,082	\$ 3,781,493	\$ 4,642,137	\$ 4,836,777	\$ 4,860,211	\$ -	\$ -	\$ -

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.

	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.						
	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026			
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare	40.6%	39.2%	39.2%	39.7%	39.7%	39.7%	39.7%			
2) Medicaid	0.3%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%			
3) Blue Cross	10.7%	13.9%	12.6%	12.4%	12.4%	12.4%	12.4%			
4) Commercial Insurance	8.4%	9.4%	9.0%	8.9%	8.9%	8.9%	8.9%			
5) Self-pay	40.0%	36.8%	38.9%	38.6%	38.6%	38.6%	38.6%			
6) Other	0.0%	0.1%	-0.3%	-0.1%	-0.1%	-0.1%	-0.1%			
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days										
1) Medicare	37.1%	36.7%	38.3%	37.4%	37.4%	37.4%	37.4%			
2) Medicaid	0.6%	0.7%	0.5%	0.6%	0.6%	0.6%	0.6%			
3) Blue Cross	8.0%	10.0%	9.1%	9.0%	9.0%	9.0%	9.0%			
4) Commercial Insurance	8.4%	9.5%	8.0%	8.6%	8.6%	8.6%	8.6%			
5) Self-pay	45.7%	42.8%	44.1%	44.2%	44.2%	44.2%	44.2%			
6) Other	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%			
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	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.

3% Inflation Increase Assumption for Projected Years	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.							
	Indicate CY or FY	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026			
1. REVENUE											
a. Inpatient Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
b. Outpatient Services		\$ 9,308,610	\$ 13,609,049	\$ 13,525,033	\$ 20,416,913	\$ 24,905,207	\$ 25,891,303	\$ 26,103,551			
Gross Patient Service Revenues		\$ 9,308,610	\$ 13,609,049	\$ 13,525,033	\$ 20,416,913	\$ 24,905,207	\$ 25,891,303	\$ 26,103,551	\$ -	\$ -	\$ -
c. Allowance For Bad Debt		\$ -	\$ 22,383	\$ 22,159	\$ 23,508	\$ 24,214	\$ 24,940	\$ 25,688			
d. Contractual Allowance		\$ 2,424,224	\$ 6,298,283	\$ 6,287,041	\$ 9,582,677	\$ 11,684,586	\$ 12,146,888	\$ 12,247,160			
e. Charity Care		\$ 2,309	\$ -	\$ 2,045	\$ 68,473	\$ 83,317	\$ 86,511	\$ 87,373			
Net Patient Services Revenue		\$ 6,882,077	\$ 7,288,382	\$ 7,213,788	\$ 10,742,254	\$ 13,113,091	\$ 13,632,964	\$ 13,743,329	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)											
NET OPERATING REVENUE		\$ 6,882,077	\$ 7,288,382	\$ 7,213,788	\$ 10,742,254	\$ 13,113,091	\$ 13,632,964	\$ 13,743,329	\$ -	\$ -	\$ -
2. EXPENSES											
a. Salaries & Wages (including benefits)		\$ 971,515	\$ 1,148,581	\$ 1,314,640	\$ 1,740,033	\$ 2,224,537	\$ 2,322,669	\$ 2,347,912			
b. Contractual Services		\$ 169,560	\$ 175,529	\$ 166,255	\$ 176,380	\$ 181,671	\$ 187,122	\$ 192,735			
c. Interest on Current Debt											
d. Interest on Project Debt											
e. Current Depreciation		\$ 163,000	\$ 166,000	\$ 166,000	\$ 166,000	\$ 166,000	\$ 166,000	\$ 166,000			
f. Project Depreciation					\$ 59,200	\$ 59,200	\$ 59,200	\$ 59,200			
g. Current Amortization											
h. Project Amortization											
i. Supplies		\$ 2,975,490	\$ 3,017,349	\$ 2,809,844	\$ 4,344,641	\$ 5,328,591	\$ 5,533,453	\$ 5,577,548			
j. Other Expenses (Office Expense + medical surgical costs + marketing + Professional fees)		\$ 286,073	\$ 311,771	\$ 333,967	\$ 354,306	\$ 364,935	\$ 375,883	\$ 387,160			
TOTAL OPERATING EXPENSES		\$ 4,565,639	\$ 4,819,229	\$ 4,790,707	\$ 6,840,560	\$ 8,324,934	\$ 8,644,327	\$ 8,730,555	\$ -	\$ -	\$ -
3. INCOME											
a. Income From Operation		\$ 2,316,438	\$ 2,469,153	\$ 2,423,082	\$ 3,901,694	\$ 4,788,157	\$ 4,988,637	\$ 5,012,774	\$ -	\$ -	\$ -
b. Non-Operating Income											
SUBTOTAL		\$ 2,316,438	\$ 2,469,153	\$ 2,423,082	\$ 3,901,694	\$ 4,788,157	\$ 4,988,637	\$ 5,012,774	\$ -	\$ -	\$ -
c. Income Taxes											
NET INCOME (LOSS)		\$ 2,316,438	\$ 2,469,153	\$ 2,423,082	\$ 3,901,694	\$ 4,788,157	\$ 4,988,637	\$ 5,012,774	\$ -	\$ -	\$ -
4. PATIENT MIX											
a. Percent of Total Revenue											
1) Medicare		40.6%	39.2%	39.2%	39.7%	39.7%	39.7%	39.7%			
2) Medicaid		0.3%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%			
3) Blue Cross		10.7%	13.9%	12.6%	12.4%	12.4%	12.4%	12.4%			
4) Commercial Insurance		8.4%	9.4%	9.0%	8.9%	8.9%	8.9%	8.9%			
5) Self-pay		40.0%	36.8%	38.9%	38.6%	38.6%	38.6%	38.6%			
6) Other		0.0%	0.1%	-0.3%	-0.1%	-0.1%	-0.1%	-0.1%			
TOTAL		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	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.

3% Inflation Increase Assumption for Projected Years	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.							
	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026				
b. Percent of Equivalent Inpatient Days											
Total MSGA											
1) Medicare	37.1%	36.7%	38.3%	37.4%	37.4%	37.4%	37.4%				
2) Medicaid	0.6%	0.7%	0.5%	0.6%	0.6%	0.6%	0.6%				
3) Blue Cross	8.0%	10.0%	9.1%	9.0%	9.0%	9.0%	9.0%				
4) Commercial Insurance	8.4%	9.5%	8.0%	8.6%	8.6%	8.6%	8.6%				
5) Self-pay	45.7%	42.8%	44.1%	44.2%	44.2%	44.2%	44.2%				
6) Other	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%				
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%

TABLE L. WORKFORCE INFORMATION

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 F and G.

FTE Salary Costs do NOT include benefits (Insurance, 401k, etc) or Payroll Taxes. They also do NOT account for wage inflation or any annual salary % increases (in our 2023-2026 P&L we project 3% annual salaries and wage increases)	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	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table G, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs
1. Regular Employees											
Administration (List general categories, add rows if needed)											
Clinic Manager	1.0	\$41,000	\$41,000			\$0			\$0	1.0	\$41,000
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Administration			\$41,000			\$0			\$0	0.0	\$41,000
Direct Care Staff (List general categories, add rows if needed)											
Registered Nurse	12.0	\$59,495	\$713,940	2.0	\$59,495	\$118,990			\$0	14.0	\$832,930
Surgical Scrub Tech	5.0	\$41,571	\$207,855	2.0	\$41,571	\$83,142			\$0	7.0	\$290,997
Surgical Tech	2.0	\$41,000	\$82,000			\$0			\$0	2.0	\$82,000
			\$0			\$0			\$0	0.0	\$0
Total Direct Care			\$1,003,795			\$202,132			\$0	0.0	\$1,205,927
Support Staff (List general categories, add rows if needed)											
Front Desk	1.0	\$38,358	\$38,358			\$0			\$0	1.0	\$38,358
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Support			\$38,358			\$0			\$0	0.0	\$38,358
REGULAR EMPLOYEES TOTAL			\$1,083,153			\$0			\$0	0.0	\$1,285,285
2. Contractual Employees											

TABLE L. WORKFORCE INFORMATION

Administration <i>(List general categories, add rows if needed)</i>											
			\$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			\$0	0.0	\$0
Direct Care Staff <i>(List general categories, add rows if needed)</i>											
Registered Nurse	2.0	\$59,495	\$118,990			\$0			\$0	2.0	\$118,990
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
			\$0			\$0			\$0	0.0	\$0
Total Direct Care Staff			\$118,990			\$0			\$0	0.0	\$118,990
Support Staff <i>(List general categories, add rows if needed)</i>											
			\$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 Support Staff			\$0			\$0			\$0	0.0	\$0
CONTRACTUAL EMPLOYEES TOTAL			\$118,990			\$0			\$0	0.0	\$118,990
Benefits <i>(State method of calculating benefits below):</i>											
TOTAL COST	0.0	\$1,202,143	0.0			\$0	0.0		\$0		\$1,404,275

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the CON and application and its revisions of attachments for Chesapeake Eye surgery Center, LLC., are true and correct to the best of my knowledge, information and belief.

Jennifer Knopp *Jennifer Knopp RN* 1/17/23
Print Name _____ Date _____