

# GALLAGHER

GALLAGHER EVELIUS & JONES  
ATTORNEYS AT LAW

August 8, 2025

**VIA EMAIL & FEDERAL EXPRESS MAIL**

Ms. Deanna Dunn  
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Program Manager  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

Re: Shore Health System, Inc.  
Request for Post-Approval Project Change  
CON Granted: January 18, 2024  
Docket No. 23-20-2463

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Dear Ms. Dunn:

On behalf of the applicant Shore Health System, Inc., we are submitting an electronic version of the Request for Post-Approval Project Change. By separate email, we will provide a WORD version of this request as well as an Excel file with the updated MHCC Tables.

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.

Sincerely yours,



Mallory Regenbogen



Alison B. Lutich

cc: David Sharp, Interim Executive Director, MHCC  
Wynee Hawk, Director, Center for Health Care Planning & Development, MHCC  
Ewurama Shaw-Taylor, Chief, Certificate of Need, MHCC  
Moira Lawson, Ph.D., MPH, Program Manager, Certificate of Need, MHCC

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Ms. Deanna Dunn  
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SHS and its stakeholders have evaluated over 450 design components to determine the most cost-efficient means to keep the design within the current budget and retain the approved programming. Through this process, SHS has avoided over \$60M in potential project costs, which includes \$30M in estimated savings from moving from a pre-fabricated to a site-built central utility plant.<sup>1</sup> SHS has now exhausted all design related cost-saving opportunities. With the current uncertainty around tariffs and unexpected inflation, SHS anticipates that it will likely exceed its approved project budget of \$539.6M plus the inflation allowance, but it will not know this for certain until it finalizes its GMP contracts this fall. In order to further reduce costs in an effort to lessen the potential budget overage, SHS is proposing to reduce the number of operating rooms from seven to six and the number of cardiac catheterization labs from two to one when the new medical center opens. These modifications will reduce costs but will still allow SHS to continue meeting the projected needs of the service area population. SHS believes the operating and cardiac catheterization rooms proposed for reduction will be needed in the long-term, but these proposed modifications will allow it to save approximately \$2.8M primarily in moveable equipment costs by deferring this spending until such time as these rooms are needed. SHS anticipates finishing and equipping these rooms in the future as volumes increase in the years following opening of the new medical center.

***A. Modification to Reduce One Cardiac Catheterization Lab***

In the existing hospital, there are two cardiac catheterization (cath) labs. The hospital's PCI and STEMI cases are primarily performed using one cath lab and the second cath lab is used when there are emergent STEMI cases. Between these two rooms, the facility always has 24/7 availability to serve cardiac patients. In the replacement hospital, the approved design includes two cardiac cath labs and one electrophysiology (EP) lab. SHS is proposing to convert one of the cardiac cath labs to be used as a shared workroom for staff and use the EP lab as the secondary room for PCI and STEMI cases. The EP lab is equipped with the standard cath lab equipment package plus it contains other EP equipment, so it will be fully equipped to accommodate PCI and STEMI cases. By not building out and equipping the second cath lab, SHS will defer \$1.7M primarily in equipment costs. SHS will plan to build out and equip the second cath lab in the future once volumes grow and it is needed.

SHS's PCI volumes are projected to be only slightly higher in 2030 than they are today. *See* SHS Application for Certificate of Conformance for Primary and Elective PCI, Response to Standard Q10, p. 16 (Jan. 6, 2023) (noting that in 2025 (prior to opening) SHS projects 79 primary PCI and 201 non-primary PCI cases, whereas following opening in 2030, SHS projects only slightly higher volumes of 82 primary PCI and 210 non-primary PCI cases). SHS anticipates that the one cath lab and one EP lab will provide sufficient capacity to serve its PCI and STEMI cases upon opening of the new medical center. The proposed change will result in the same number of available rooms (two) at the new facility as are available at the existing facility today, which currently provide ample capacity for current PCI and STEMI case volumes.

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<sup>1</sup> As noted in SHS' prior project change filing, the \$60M in estimated cost savings are not expected to reduce the budget by such amount, rather should SHS have not made the changes, it is expected that the budget would have increased by this amount.

### ***B. Modification to Reduce One Operating Room***

In the replacement hospital, the approved plan is to build seven general purpose operating rooms (ORs). The existing hospital has six ORs but is currently only operating five ORs at one time by operating very efficiently. Within its CON application, SHS projected need for approximately 6.5 ORs based on the optimal capacity standard in the opening year of the new hospital (2029) and projected that demand would continue to increase slightly to 6.7 ORs by 2032. *See* SHS Response to Completeness Questions dated Jan. 25, 2023, Response 26, Table 117, p. 39 (Feb. 22, 2023). SHS anticipates that it can fully serve the projected cases in six ORs upon opening, by continuing to operate efficiently. By converting the seventh OR to a staff respite space, SHS will defer \$1.1M primarily in equipment costs. SHS anticipates that it will likely need to request a CON from the Commission to expand to seven ORs in the years following opening should total surgical volumes at the replacement hospital continue to grow.

### ***C. Timing for Equipment Procurement for Replacement Hospital***

Equipment procurement for the replacement hospital will occur in four stages, with the largest equipment being procured first. The first stage of equipment procurement begins early this fall (2025), and the bidding process has already begun. The first stage will involve procuring equipment for the hospital's cath labs and ORs, so time is of the essence for the review of the proposed project changes set forth herein. Given the timing for making equipment procurement decisions, SHS respectfully requests that the Commission promptly review and approve the requested modifications so that SHS can expeditiously move forward with its equipment procurement process. SHS is awaiting firm cost estimates related to the proposed modifications discussed herein before it makes a final determination of whether to move forward with these project changes. It may choose to withdraw this request should the total cost savings be lower than anticipated.

## **III. COMMISSION STAFF INFORMATION REQUESTS**

SHS discussed the proposed project modifications outlined above with Commission staff by phone call on June 27, 2025, and Commission staff subsequently requested by email that SHS address the following issues in its post-approval project change request:

- 1. COMAR 10.24.11.05A(2) – Need. Address how the reduction in the number of ORs will not adversely affect the number of surgeries that the hospital projected in the original application.**

### ***Applicant Response***

As discussed in Section II.B above, SHS is serving its current general surgical volumes in five ORs by operating in a very efficient manner. These perioperative operating efficiencies have been achieved based on a combination of various initiatives to lower labor costs and improve room utilization, including:

1. First case start-time and room turnover time is a very important indicator for efficient OR utilization. SHS's block committee monitors daily the percentage of first cases starting on time, which has recently been approximately 90% of cases.
2. Block time is closely managed to ensure surgical cases are scheduled to maximize OR capacity.
3. Dedicated Vizient Operational Data Base (ODB) is used to benchmark labor and room usage efficiency.
4. Elective OR cases are currently allowed to run into evening and weekend hours if volume demands additional OR time.

These practices permit SHS to serve its surgical caseload within five ORs currently at the existing facility. SHS anticipates continuing these practices and that it will be able to fully serve its projected case volumes (which are only projected to be slightly higher in 2029 upon opening) in six operating rooms upon opening of the facility. SHS plans to monitor its surgical volume, and if volume continues to grow in the years following opening, it will plan to come back to the Commission and request to expand to seven ORs.

- 2. Discuss how the hospital will provide adequate services with one fewer cath lab. Provide details on how the EP lab will be outfitted and/or modified to accommodate potential cath lab patients.**

#### *Applicant Response*

As discussed in Section II.A above, SHS is serving its PCI and STEMI patients in two rooms at the existing facility, and anticipates it will be able to serve its projected volumes in two rooms (cath lab and EP lab) at the new medical center.

The EP labs and cath labs at the new hospital will mirror one another in terms of imaging equipment and the ability to accommodate primary interventional care such as diagnostic and emergent PCIs. The equipment needed for the primary interventions is the Philips Azurion (x-ray unit) as well as the ACIST (contrast injector), which will be present in both the EP and the Cath lab.

- 3. Discuss whether you anticipate any need to transfer patients and how you will plan for that.**

#### *Applicant Response*

SHS anticipates being able to fully serve its projected surgical case volumes in six ORs, and its projected PCI and STEMI case volumes in one cath lab and one EP lab. SHS does not anticipate that it will need to transfer any surgical cases or PCI/STEMI cases to other hospitals due to the proposed room reductions.

- 4. COMAR 10.24.10.04B(7). Provide a new MVS as the department cost factor will change with the change of two “operating rooms” areas to storage, which will lower the benchmark price per square foot.**

*Applicant Response*

The Interventional Suite (including ORs, Cath lab, EP lab, PACU) that was included in the approved CON on level 2 already has storage and other staff designated work and respite spaces included in the design of the department. Similarly, other departments within the hospital also have storage and staff designated work and respite spaces included as part of the departmental gross square feet. In fact, the FGI Guidelines require that storage be included in various departments. As storage and staff designated work and respite spaces are considered part of the department, a change in the amount of these spaces within a department does not change the department cost factor. Accordingly, there is no change to the department cost factor for the Interventional Suite as a result of changing one cath lab to a shared workroom and one OR to a staff respite space.

While SHS expects that the proposed modifications will allow it to save approximately \$2.8M in equipment costs, the current uncertainty around tariffs and unexpected inflation will likely result in total costs that exceed the approved project budget of \$539.6M plus the inflation allowance. Until SHS finalizes all GMP contracts, which it expects will occur by early fall 2025, SHS is assuming an increase in new construction costs to offset the \$2.8M reduction in moveable equipment.

The MVS analysis is calculated based on construction costs and does not take into account moveable equipment, so the MVS analysis will change very slightly as a result of increasing the budgeted construction cost by \$2.8M. Keeping all other benchmark cost factors and multipliers the same as in the MHCC Staff Report and Recommendation, dated January 18, 2024, the resulting updated MVS Cost per square foot equals \$582.43 (*See Table 1*).

**Table 1**  
**Calculation of Marshall Valuation Service Benchmark**

New Construction	MHCC Staff Calculation (1)			Updated Applicant Calculation		
Class	A			A		
Quality	Good			Good		
Type Structure	New Patient Tower	Mechanical Penthouse	CUP	New Patient Tower	Mechanical Penthouse	CUP
Floors	6	1	1	6	1	1
Total Square Footage	382,977	2,510	22,385	382,977	2,510	22,385
Average Perimeter	1,366	204	610	1,366	204	610
Average Height	15.3	21.83	20	15.3	21.83	20
Average Area Per Floor	63,830	2,510	22,385	63,830	2,510	22,385
<b>Base Cost</b>	<b>\$485.00</b>	<b>\$105.00</b>	<b>\$485.00</b>	<b>\$485.00</b>	<b>\$105.00</b>	<b>\$485.00</b>
Department Differential Cost	1.05	1.0	0.7	1.05	1.0	0.7
Gross Base Cost	511.62	\$105.00	\$339.50	511.62	105.00	339.50
Perimeter Multiplier	0.902	1.053	0.920	0.902	1.053	0.920
Story Height Multiplier	1.076	1.226	1.184	1.076	1.226	1.184
Multi-story Multiplier*	1.015	1.000	1.000	1.015	1.000	1.000
Multipliers	0.9853	1.2915	1.0889	0.9853	1.2915	1.0889
Refined Square Foot Cost	\$503.95	\$135.61	\$369.69	\$504.11	\$135.60	\$369.69
Elevator Add on			(\$8.70)			(\$8.70)
Sprinkler Add-on	\$3.09		\$7.38	\$3.09		\$7.38
Adjusted Refined Square Foot Cost	\$507.04	\$135.61	\$368.37	\$507.20	\$135.60	\$368.37
Current Cost Modifier	1.22	1.22	1.22	1.22	1.22	1.22
Local Multiplier	0.96	0.96	0.96	0.96	0.96	0.96
CC & Local Multipliers	1.171	1.171	1.171	1.171	1.171	1.171
MVS Building Cost Per Square Foot	\$593.74	\$158.80	\$431.36	\$594.03	\$158.82	\$431.43
<b>Building Square Footage</b>	<b>382,977</b>	<b>2,510</b>	<b>22,385</b>	<b>382,977</b>	<b>2,510</b>	<b>22,385</b>
MVS Building Costs	\$227,388,764	\$398,588	\$9,655,994	\$227,499,238	\$398,637	\$9,657,670
<b>Final MVS Cost per Square Foot</b>			<b>\$582.15</b>			<b>\$582.43</b>

Note (1) Reflects MHCC Staff Report and Recommendation dated January 18, 2024

Keeping all other capital costs and extraordinary cost adjustments the same as in the MHCC Staff Report and Recommendation, dated January 18, 2024, the resulting updated Adjusted Hospital Cost per square foot equals \$547.11 (**Table 2**).

**Table 2**  
**Comparison of New Construction Budget To MVS Benchmark**

<b>Project Budget Item</b>	<b>MHCC (1)</b>	<b>Updated Applicant</b>
Building	\$170,364,261	\$173,064,261
Fixed Equipment	Included Above	Included Above
Site Preparation	\$649,215	\$649,215
Architectural Fees	\$11,000,000	\$11,000,000
Permits	\$6,135,000	\$6,135,000
Cap. Construction Int. & Finance Fees	\$28,248,645	
<b>Total</b>	<b>\$188,048,476</b>	<b>\$190,848,476</b>
Loan Placement Fees	\$2,024,675	\$2,024,675
Capitalized Construction Interest	\$30,277,902	\$30,277,902
<b>Adjusted Total for MVS Comparison (2)</b>	<b>\$218,326,378</b>	<b>\$223,151,053</b>
Total Hospital Square Footage	407,872	407,872
<b>Adjusted Hospital Cost Per SF</b>	<b>\$535.28</b>	<b>\$547.11</b>
MVS Benchmark Cost Per SF	\$582.15	\$582.43
<b>Total Over (Under) MVS Benchmark</b>	<b>(\$46.87)</b>	<b>(\$35.32)</b>
<b>Total Over (Under) MVS Total Cost</b>	<b>(\$19,116,961)</b>	<b>(\$14,404,493)</b>

Note (1) Reflects MHCC Staff Report and Recommendation dated January 18, 2024

Note (2) Includes both the \$2.8M increase in New Construction Cost and the Loan Placement Fees that were previously excluded

The resulting Adjusted Hospital Cost per square foot of \$547.11 is (\$35.32) less than the MVS Benchmark cost of \$582.43 per square foot (**Table 2**).

**5. A revised budget as fixed equipment costs will now be construction.**

*Applicant Response*

SHS anticipates that it will save approximately \$2.8M primarily in moveable equipment costs due to the proposed changes. As noted in Section II above, SHS anticipates that it will likely exceed its current approved budget but does not yet have firm budget numbers from GMP process, so SHS is not proposing a \$2.8M reduction in its approved budget as a result of the proposed modifications outlined above. Rather, the proposed changes are aimed at reducing what will likely be a budget overage. As discussed with Commission staff, SHS is providing an updated budget (*See Attachment 1 - Table E*) with a reduction of \$2.8M in moveable equipment costs and an equivalent \$2.8M increase in new construction costs to represent the anticipated equipment savings as a result of the project modifications, but the overall budget is not expected to decrease because of other cost factors.

**6. Revised financials that reflect the change in project cost yielding savings of \$3M plus to include any change in depreciation and useful life assumptions if any.**

Applicant Response

The estimated \$2.8M reduction from the proposed project changes represent approximately 1% of the equipment and construction costs for the project. Moving this amount from the equipment depreciation schedule to the construction depreciation schedule will not have a material impact on the overall depreciation cost of the project.

**7. Any anticipated change in HSCRC GBR.**

Applicant Response

As discussed in Section II above, SHS does not anticipate any changes in its projected surgical or PCI volumes as a result of the proposed modifications and therefore does not anticipate any change in its GBR as a result of these changes.

**8. Any change in project financing.**

As discussed in Section II above, SHS is not proposing any changes to its approved project budget at this time and therefore, there are no expected changes in project financing, as shown in **Attachment 1** (revised project budget).

**9. Any change in the MHCC Table Set due to the project change.**

As described in response 5 above, SHS is providing an updated project budget (Table E) in accordance with the Commission's request. SHS does not anticipate changes in any other MHCC Tables, including to its financial projections, in light of the proposed project modifications and therefore has not included updated Tables G to L. There are no changes to Tables B or C in light of changing two rooms from clinical spaces to work rooms and respite spaces, as these types of spaces are still included in total departmental gross square feet of each department, as discussed in response 4 above.

**IV. THE REQUESTED PROJECT CHANGES ARE APPROVABLE**

Commission regulation COMAR § 10.24.01.17A requires notification by a CON holder of any proposed project changes. Only certain types of project changes identified at COMAR § 10.24.01.17C are impermissible, including fundamental changes in the nature of the facility and *increases* in total bed capacity or OR inventory. SHS is proposing a *reduction* in OR inventory and cath lab inventory, which are permissible changes under the post-approval modification rule.

**CONCLUSION**

For the reasons set forth above, SHS respectfully requests that the Commission approve the project changes described above.

Respectfully submitted,



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*Attorney for Shore Health System, Inc*



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*Attorney for Shore Health System, Inc.*

Date: August 8, 2025

Attachment

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I hereby declare and affirm under the penalties of perjury that the facts stated in this Request for Post Approval Project Change dated August 4, 2025 and its attachments are true and correct to the best of my knowledge, information, and belief.

8/7/2025

\_\_\_\_\_  
Date

Signed by:

*LuAnn Brady*

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\_\_\_\_\_  
LuAnn Brady  
Senior Vice President  
Chief Operating Officer  
University of Maryland Shore  
Regional Health

I hereby declare and affirm under the penalties of perjury that the facts stated in this Request for Post Approval Project Change dated August 4, 2025 and its attachments are true and correct to the best of my knowledge, information, and belief.

8/4/2025

\_\_\_\_\_  
Date

DocuSigned by:

*paul nicholson*

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\_\_\_\_\_  
Paul Nicholson, MBA, FHFMA  
Senior Vice President for Finance  
University of Maryland Shore  
Regional Health

I hereby declare and affirm under the penalties of perjury that the facts stated in this Request for Post Approval Project Change dated August 4, 2025 and its attachments are true and correct to the best of my knowledge, information, and belief.

8/4/2025

\_\_\_\_\_  
Date

DocuSigned by:

*Richie Stever*

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\_\_\_\_\_  
Richie Stever, MHA, SASHE  
Vice President of Real Estate and  
Construction  
University of Maryland Medical  
System

# **ATTACHMENT 1**

**TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT**

*INSTRUCTIONS: 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 in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. NOTE: Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.*

Before the Project							After Project Completion					
Hospital Service	Location (Floor/Wing)*	Licensed Beds: 7/1/2022	Based on Physical Capacity				Hospital Service	Location (Floor/Wing)*	Based on Physical Capacity			
			Room Count			Bed Count			Room Count			Bed Count
			Private	Semi-Private	Total Rooms	Physical Capacity			Private	Semi-Private	Total Rooms	Physical Capacity
<b>ACUTE CARE</b>							<b>ACUTE CARE</b>					
<b>General Medical/ Surgical*</b>		62					<b>General Medical/ Surgical*</b>		74			
MedSurg	2 East		19	6	25	31	MedSurg	3	26	0	26	26
Surgical/Medical	3 East		10	10	20	30	MedSurg	4	24	0	24	24
Neuro	4 East		6	2	8	10	MedSurg	5	24	0	24	24
Joint	4 East		5	3	8	11					0	0
Telemetry	4 South		20	4	24	28					0	0
<b>SUBTOTAL Gen. Med/Surg*</b>		<b>62</b>	<b>60</b>	<b>25</b>	<b>85</b>	<b>110</b>	<b>SUBTOTAL Gen. Med/Surg*</b>		<b>74</b>	<b>0</b>	<b>74</b>	<b>74</b>
<b>ICU/CCU</b>		<b>10</b>	10	0	10	10	<b>ICU/CCU</b>	4	12	0	12	12
<i>Other (Specify/add rows as needed)</i>					0	0					0	0
<b>TOTAL MSGA</b>		<b>72</b>	<b>70</b>	<b>25</b>	<b>95</b>	<b>120</b>	<b>TOTAL MSGA</b>		<b>86</b>	<b>0</b>	<b>86</b>	<b>86</b>
<b>Obstetrics Total</b>		<b>13</b>			0	13	<b>Obstetrics Total</b>		11		11	11
5 East (LDRP)	Birthing Center 5E		10	0	10	10	LDRP	3	1	0	1	1
Antepartum	Birthing Center 5E		3	0	3	3	Postpartum	3	8	0	8	8
OR 5 East	Birthing Center 5E		1	0	1	1	Antepartum	3	2	0	2	2
PACU 5 East	Birthing Center 5E		1	0	1	1					0	0
Triage 5 East	Birthing Center 5E		3	0	3	3					0	0
<b>Pediatrics</b>		<b>3</b>	1	2	3	5	<b>Pediatrics</b>	3	1	0	1	1
<b>Psychiatric</b>	3 South	<b>10</b>	4	4	8	12	<b>Psychiatric</b>	6	12	0	12	12
<b>TOTAL ACUTE</b>		<b>98</b>	<b>75</b>	<b>31</b>	<b>106</b>	<b>150</b>	<b>TOTAL ACUTE</b>		<b>110</b>	<b>0</b>	<b>110</b>	<b>110</b>
<b>NON-ACUTE CARE</b>							<b>NON-ACUTE CARE</b>					
<b>Dedicated Observation**</b>					0	0	<b>Dedicated Observation**</b>	1	25	0	25	25
<b>Rehabilitation</b>	5 South	<b>20</b>	3	6	9	15	<b>Rehabilitation</b>	5	12	0	12	12
<b>Comprehensive Care</b>					0	0	<b>Comprehensive Care</b>				0	0
<i>Other (Specify/add rows as needed)</i>					0	0	<i>Other (Specify/add rows as needed)</i>				0	0
<b>TOTAL NON-ACUTE</b>		<b>20</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>15</b>	<b>TOTAL NON-ACUTE</b>		<b>37</b>	<b>0</b>	<b>37</b>	<b>37</b>
<b>HOSPITAL TOTAL</b>		<b>118</b>	<b>78</b>	<b>37</b>	<b>115</b>	<b>165</b>	<b>HOSPITAL TOTAL</b>		<b>147</b>	<b>0</b>	<b>147</b>	<b>147</b>

\* Include beds dedicated to gynecology and addictions, if unit(s) is separate for acute psychiatric unit

**TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT**

*INSTRUCTIONS: 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 in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. NOTE: Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.*

		Before the Project					After Project Completion					
Hospital Service	Location (Floor/Wing)*	Licensed Beds: 7/1/2022	Based on Physical Capacity				Hospital Service	Location (Floor/Wing)*	Based on Physical Capacity			
			Room Count			Bed Count			Room Count			Bed Count
			Private	Semi-Private	Total Rooms	Physical Capacity			Private	Semi-Private	Total Rooms	Physical Capacity

\*\* Include services included in the reporting of the "Observation Center". Service furnished by the hospital on the hospital's promise, including use of a bed and periodic monitoring by the hospital's nursing or other staff, which are reasonable and necessary to determine the need for a possible admission to the hospital as an inpatient; Must be ordered and documented in writing, given by a medical practitioner.

**TABLE B. DEPARTMENTAL GROSS SQUARE FEET AFFECTED BY PROPOSED PROJECT**

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

DEPARTMENT/FUNCTIONAL AREA	DEPARTMENTAL GROSS SQUARE FEET				
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	Total After Project Completion
<b>Inpatient Nursing Units</b>					
Intensive Care	6,090	12,413	0	0	12,413
Med / Surg (Telemetry / Neuro)	16,317	14,873	0	0	14,873
Rehab (Requard Center)	8,700	13,480	0	0	13,480
Med / Surg (General)	29,738	32,788	0	0	32,788
Pediatric Unit	2,300	incl in M/S Unit	0	0	0
Med / Surg (Joint, Med/Surg)	6,810	incl in M/S Unit	0	0	0
Obstetrics incl. nursery	15,623	20,607	0	0	20,607
Behavioral Health Unit	9,775	11,616			11,616
<b>Subtotal</b>	<b>95,353</b>	<b>105,777</b>	<b>0</b>	<b>0</b>	<b>105,777</b>
<b>Diagnostic &amp; Treatment</b>					
Clinical Lab / Pathology	7,451	10,225	0	0	10,225
Emergency Department	17,570	21,890	0	0	21,890
Inpatient Dialysis	2,298	2,332	0	0	2,332
Imaging Department	16,680	15,605	0	0	15,605
Interventional Suite (incl O.R.'s, Cath, EP, PACU)	23,040	30,968	0	0	30,968
Prep / Stage 2 Recovery	3,889	16,128	0	0	16,128
Pre-Anesthesia Testing	400	710	0	0	710
Observation Unit	0	11,976	0	0	11,976
Respiratory Therapy	1,927	697	0	0	697
<b>Subtotal</b>	<b>73,255</b>	<b>110,531</b>	<b>0</b>	<b>0</b>	<b>110,531</b>
<b>Administrative / Public Services</b>					
Auxiliary	126	310	0	0	310
Admitting / Registration	3,845	1,784	0	0	1,784
Chapel	170	597	0	0	597
Education Center / Med Library	6,289	4,956	0	0	4,956
Gift Shop	1,106	1,255	0	0	1,255
Hospitalist Suite	1,259	0	0	0	0
On-Call	1,034	1,670	0	0	1,670
Executive Admin	6,252	4,631	0	0	4,631

Medical Records	7,933	2,060	0	0	2,060
Quality Team	1,055	incl in Admin	0	0	0
Human Resources / Employee Health	1,900	1,808	0	0	1,808
Nursing Administration / Staff offices	1,835	1,361	0	0	1,361
Information Technology	1,900	2,046	0	0	2,046
Lobby Services	1,255	1,192	0	0	1,192
<b>Subtotal</b>	<b>35,959</b>	<b>23,670</b>	0	0	<b>23,670</b>
<b>Support Services</b>					
EVS / Linen / Facilities / Mat. Mgmt	9,389	13,592	0	0	13,592
Biomed	600	894			894
Maryland Express Care Suite	795	372	0	0	372
Sterile Processing	4,658	7,306	0	0	7,306
Pharmacy	4,181	4,843	0	0	4,843
Security	420	989	0	0	989
Morgue	500	252			252
Food & Nutrition	9,176	13,316	0	0	13,316
<b>Subtotal</b>	<b>29,719</b>	<b>41,564</b>	0	0	<b>41,564</b>
<b>Clinics</b>					
Cardiopulmonary / Vascular	2,502	5,952	0	0	5,952
Education Center	983	incl in Education above			
Behavioral Health Outpatient Clinic	1,077	3,133	0	0	3,133
Cardio Rehab	2,700	3,758	0	0	3,758
Diabetes Clinic	3,487	2,935	0	0	2,935
Infusion Center	1,760	2,178	0	0	2,178
Pain Management Clinic	2,402	3,133	0	0	3,133
Sleep Lab	1,078	0	0	0	0
Multi-Specialty Clinic	1,645	4,039	0	0	4,039
Outpatient Lab Draw	556	751	0	0	751
<b>Subtotal</b>	<b>18,190</b>	<b>25,879</b>	0	0	<b>25,879</b>
<b>Total Department Gross SF</b>	<b>252,476</b>	<b>307,421</b>			<b>307,421</b>
Building Grossing Factor	113,590	75,556	0	0	75,556
Penthouse	5,550	2,510	0	0	2,510
Central Plant	16,917	22,385	0	0	22,385
<b>Total Building Gross SF</b>	<b>366,066</b>	<b>407,872</b>			<b>407,872</b>

**TABLE C. CONSTRUCTION CHARACTERISTICS**

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

	NEW CONSTRUCTION		RENOVATION
	Hospital	Central Utility Plant	
<b>BASE BUILDING CHARACTERISTICS</b>	<b>Check if applicable</b>		
<b>Class of Construction</b> (for renovations the class of the building being renovated)*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Class A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Type of Construction/Renovation*</b>			
Low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Number of Stories</b>	6 plus penthouse		1

\*As defined by Marshall Valuation Service

<b>PROJECT SPACE</b>	<b>List Number of Feet, if applicable</b>		
<b>Total Square Footage</b>	<b>385,487</b>	<b>22,385</b>	
Basement	n/a		
First Floor	135,968	22,385	
Second Floor	111,505		
Third Floor	45,044		
Fourth Floor	36,652		
Fifth Floor	35,228		
Sixth Floor	18,580		
Penthouse	2,510		
<b>Average Square Feet</b>	<b>55,070</b>	<b>22,385</b>	
<b>Perimeter in Linear Feet</b>		<b>Linear Feet</b>	
Basement	n/a		
First Floor	2,135	610	
Second Floor	2,076		
Third Floor	1,194		
Fourth Floor	1,079		
Fifth Floor	1,066		
Sixth Floor	648		
Penthouse	204		
<b>Total Linear Feet</b>	<b>8,402</b>	<b>610</b>	
<b>Average Linear Feet</b>	<b>1,200</b>	<b>610</b>	
<b>Wall Height (floor to eaves)</b>		<b>Feet</b>	
Basement	n/a		
First Floor	16	20	
Second Floor	16		
Third Floor	14		
Fourth Floor	14		
Fifth Floor	14		
Sixth Floor	14		
Penthouse	21.83		
<b>Average Wall Height</b>	<b>15.69</b>		
<b>OTHER COMPONENTS</b>			
<b>Elevators</b>		<b>List Number</b>	
Passenger	3	0	
Freight	3	0	
Trauma	1	0	
<b>Sprinklers</b>		<b>Square Feet Covered</b>	
Wet System	385,487	22,385	
Dry System			
<b>Other</b>		<b>Describe Type</b>	
<b>Type of HVAC System for proposed project</b>	Excellent Grade - Forced Air: VAV / Constant Volume, Digitally Controlled		
<b>Type of Exterior Walls for proposed project</b>	Glass Curtain Wall, Brick Veneer, Metal Panels, Cultured Stone		

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

*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	RENOVATION COSTS
<b>SITE PREPARATION COSTS</b>		
Normal Site Preparation	\$649,215	
Utilities from Structure to Lot Line	In Offsite Costs	
<b>Subtotal included in Marshall Valuation Costs</b>	<b>\$649,215</b>	
Paving and Roads	\$6,091,611	
Demolition	\$412,500	
Storm Drains	\$3,282,000	
Rough Grading	\$2,455,794	
Landscaping	\$4,239,791	
Sediment Control & Stabilization	\$375,000	
Helipad	\$55,000	
Water	\$91,350	
Sewer	\$146,160	
Premium for Labor Shortages on Eastern Shore Projects	\$2,664,598	
Premium for Prevailing Wage	\$2,664,598	
Premium for Minority Business Enterprise Requirement	\$1,090,430	
<b>Subtotal On-Site excluded from Marshall Valuation Costs</b>	<b>\$23,568,831</b>	
<b>OFFSITE COSTS</b>		
Roads	\$6,653,000	
Pump Station	\$1,118,520	
8" to 12" Force Main	\$1,560,000	
Misc.	\$780,000	
EASTON ELECTRICAL SERVICE	\$704,369	
EASTON GAS SERVICE TO PROPERTY	\$254,196	
Verizon	\$1,170,497	
MD Broad Band (Fiber)	\$1,592,448	
Chop Tank (Electric)	\$2,826,004	
Cable TV	\$3,532,880	
Other (Specify/add rows if needed)		
<b>Subtotal Off-Site excluded from Marshall Valuation Costs</b>	<b>\$20,191,914</b>	
<b>TOTAL Estimated On-Site and Off-Site Costs <u>not</u> included in Marshall Valuation Costs</b>	<b>\$43,760,745</b>	<b>\$0</b>
<b>TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*</b>	<b>\$44,409,960</b>	<b>\$0</b>
<b>BUILDING COSTS</b>		
Normal Building Costs	\$170,264,261	
<b>Subtotal included in Marshall Valuation Costs</b>	<b>\$170,264,261</b>	
Canopy	\$1,881,250	
Premium for Labor Shortages on Eastern Shore Projects	\$12,998,316	
LEED Silver Premium	\$8,665,544	
Pneumatic Tube System	\$1,125,000	
Signs	\$135,000	
Premium for Prevailing Wage	\$12,998,316	
Premium for Minority Business Enterprise Requirement	\$8,570,914	
<b>Subtotal Building Costs excluded from Marshall Valuation Costs</b>	<b>\$46,374,341</b>	
<b>TOTAL Building Costs included and excluded from Marshall Valuation Service*</b>	<b>\$216,638,602</b>	<b>\$0</b>

**A&E COSTS**

Normal A&E Costs	\$11,000,000	
<b>Subtotal included in Marshall Valuation Costs</b>	<b>\$11,000,000</b>	
<b>Subtotal A&amp;E Costs excluded from Marshall Valuation Costs</b>	<b>\$0</b>	
<b>TOTAL A&amp;E Costs included and excluded from Marshall Valuation Service*</b>	<b>\$11,000,000</b>	<b>\$0</b>

**PERMIT COSTS**

Normal Permit Costs	\$6,135,000	
<b>Subtotal included in Marshall Valuation Costs</b>	<b>\$6,135,000</b>	
<b>Subtotal Permit Costs excluded from Marshall Valuation Costs</b>	<b>\$0</b>	
<b>TOTAL Permit Costs included and excluded from Marshall Valuation Service*</b>	<b>\$6,135,000</b>	<b>\$0</b>

**TABLE E. PROJECT BUDGET**

**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>Hospital Building</b>	<b>CUP</b>	<b>Total</b>
<b>A. USE OF FUNDS</b>			
<b>1. CAPITAL COSTS</b>			
<b>a. Land Purchase</b>	<b>\$2,464,658</b>		<b>\$2,464,658</b>
<b>b. New Construction</b>			
(1) Building	\$213,328,602	\$6,110,000	\$219,438,602
(2) Fixed Equipment	In Building	In Building	In Building
(3) Site and Infrastructure	\$36,933,315	\$7,476,645	\$44,409,960
(4) Architect/Engineering Fees	\$9,013,929	\$1,986,071	\$11,000,000
(5) Permits (Building, Utilities, Etc.)	\$5,027,314	\$1,107,686	\$6,135,000
<b>SUBTOTAL</b>	<b>\$264,303,160</b>	<b>\$16,680,402</b>	<b>\$280,983,562</b>
<b>c. Renovations</b>			
(1) Building			\$0
(2) Fixed Equipment (not included in construction)			\$0
(3) Architect/Engineering Fees			\$0
(4) Permits (Building, Utilities, Etc.)			\$0
<b>SUBTOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>d. Other Capital Costs</b>			
(1) Movable Equipment	\$82,260,730	\$40,000,000	\$122,260,730
(2) Contingency Allowance	\$16,974,712	\$2,478,023	\$19,452,735
(3) Gross interest during construction period	\$44,210,733	\$5,788,267	\$49,999,000
(4) Other (Specify/add rows if needed)			\$0
Easton Utility Fees	\$9,000,000		\$9,000,000
EDU'S			\$0
Impact Fee (Town) / County	\$1,500,000		\$1,500,000
Forest Conservation			\$0
Builder's Risk Insurance	\$500,000		\$500,000
HOSPITAL MOVE	\$2,000,000		\$2,000,000
UMMS/OVHO	\$1,500,000		\$1,500,000
Previous Expenditures (Design/Planning/etc)	\$10,078,129		\$10,078,129
<b>SUBTOTAL</b>	<b>\$168,024,304</b>	<b>\$48,266,290</b>	<b>\$216,290,594</b>
<b>TOTAL CURRENT CAPITAL COSTS</b>	<b>\$434,792,122</b>	<b>\$64,946,691</b>	<b>\$499,738,814</b>
<b>e. Inflation Allowance</b>	<b>\$25,435,020</b>	<b>\$3,305,038</b>	<b>\$28,740,058</b>
<b>TOTAL CAPITAL COSTS</b>	<b>\$460,227,142</b>	<b>\$68,251,729</b>	<b>\$528,478,871</b>
<b>2. Financing Cost and Other Cash Requirements</b>			
<b>a. Loan Placement Fees</b>	<b>\$2,635,012</b>	<b>\$344,988</b>	<b>\$2,980,000</b>
<b>b. Bond Discount</b>	<b>\$0</b>		<b>\$0</b>
<b>c. CON Application Assistance</b>			<b>\$0</b>
<b>c1. Legal Fees</b>	<b>\$150,000</b>		<b>\$150,000</b>
<b>c2. Other (Specify/add rows if needed)</b>			<b>\$0</b>
<b>Accounting, Architectural, Planning</b>	<b>\$850,000</b>		<b>\$850,000</b>
<b>d. Non-CON Consulting Fees</b>			
<b>d1. Legal Fees</b>			<b>\$0</b>
<b>d2. Other (Specify/add rows if needed)</b>			

IT Design	\$75,000		\$75,000
SHA Study	\$300,000		\$300,000
Geo-tech consult (if needed)	\$75,000		\$75,000
Project Development Consultant	\$4,500,000		\$4,500,000
CM Preconstruction Fees	\$200,000		\$200,000
Exterior Wall Mock Up & Testing	\$500,000		\$500,000
Scheduling	\$200,000		\$200,000
Third Party Inspections	\$750,000		\$750,000
Third Party Building Permit Review	\$400,000		\$400,000
Curtainwall Testing	\$100,000		\$100,000
e. Debt Service Reserve Fund	\$0		\$0
f. Other (Specify/add rows if needed)			\$0
			\$0
e. Liquidation of Existing Debt			\$0
f. Debt Service Reserve Fund	\$0		\$0
g. Other (Specify/add rows if needed)			\$0
<b>SUBTOTAL</b>	<b>\$10,735,012</b>	<b>\$344,988</b>	<b>\$11,080,000</b>
<b>3. Working Capital Startup Costs</b>			<b>\$0</b>
<b># TOTAL USES OF FUNDS</b>	<b>\$470,962,155</b>	<b>\$68,596,717</b>	<b>\$539,558,871</b>
<b>B. Sources of Funds</b>			
1. Cash	\$38,588,871	\$0	\$38,588,871
2. Philanthropy (to date and expected)	\$50,000,000	\$0	\$50,000,000
3. Authorized Bonds	\$264,727,283	\$68,596,717	\$333,324,000
4. Interest Income from bond proceeds listed in #3	\$17,646,000		\$17,646,000
5. Mortgage			\$0
6. Working Capital Loans			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State	\$100,000,000		\$100,000,000
c. Local			\$0
8. Other (Specify/add rows if needed)			\$0
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$470,962,154</b>	<b>\$68,596,717</b>	<b>\$539,558,871</b>
<b>Annual Lease Costs (if applicable)</b>			
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.

**TABLE F. STATISTICAL PROJECTIONS - Shore Health System**

*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.*

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>1. DISCHARGES</b>												
a. MSGA	4,245	3,885	3,944	4,004	4,065	4,129	4,194	4,260	4,329	4,400	4,472	4,547
<b>Total MSGA</b>	<b>4,245</b>	<b>3,885</b>	<b>3,944</b>	<b>4,004</b>	<b>4,065</b>	<b>4,129</b>	<b>4,194</b>	<b>4,260</b>	<b>4,329</b>	<b>4,400</b>	<b>4,472</b>	<b>4,547</b>
b. Pediatrics	8	27	27	27	27	27	27	27	27	27	27	27
c. Obstetrics	1,030	999	1,004	1,012	1,020	1,028	1,036	1,044	1,052	1,060	1,069	1,077
e. Psych	432	349	350	351	352	353	355	356	478	480	481	483
f. Rehabilitation	312	191	198	206	214	222	231	239	249	259	269	279
<b>Total Acute</b>	<b>6,027</b>	<b>5,451</b>	<b>5,523</b>	<b>5,599</b>	<b>5,678</b>	<b>5,759</b>	<b>5,842</b>	<b>5,927</b>	<b>6,135</b>	<b>6,225</b>	<b>6,318</b>	<b>6,413</b>
g. Other (Specify/add rows of needed)												
<b>TOTAL DISCHARGES</b>	<b>6,027</b>	<b>5,451</b>	<b>5,523</b>	<b>5,599</b>	<b>5,678</b>	<b>5,759</b>	<b>5,842</b>	<b>5,927</b>	<b>6,135</b>	<b>6,225</b>	<b>6,318</b>	<b>6,413</b>
<b>2. PATIENT DAYS</b>												
a. MSGA	20,454	21,888	22,224	22,469	22,720	22,978	23,242	23,619	24,006	24,403	24,812	25,231
<b>Total MSGA</b>	<b>20,454</b>	<b>21,888</b>	<b>22,224</b>	<b>22,469</b>	<b>22,720</b>	<b>22,978</b>	<b>23,242</b>	<b>23,619</b>	<b>24,006</b>	<b>24,403</b>	<b>24,812</b>	<b>25,231</b>
b. Pediatrics	20	72	72	72	72	72	72	72	72	72	72	72
c. Obstetrics	1,865	1,892	1,901	1,916	1,931	1,946	1,962	1,977	1,993	2,008	2,024	2,040
e. Psych	3,648	1,996	2,014	2,033	2,052	2,071	2,091	2,111	2,854	2,882	2,910	2,938
f. Rehabilitation	3,040	2,197	2,280	2,367	2,457	2,550	2,648	2,750	2,857	2,967	3,083	3,203
<b>Total Acute</b>	<b>29,027</b>	<b>28,045</b>	<b>28,492</b>	<b>28,857</b>	<b>29,232</b>	<b>29,618</b>	<b>30,015</b>	<b>30,529</b>	<b>31,781</b>	<b>32,333</b>	<b>32,900</b>	<b>33,485</b>
g. Other (Specify/add rows of needed)												
<b>TOTAL PATIENT DAYS</b>	<b>29,027</b>	<b>28,045</b>	<b>28,492</b>	<b>28,857</b>	<b>29,232</b>	<b>29,618</b>	<b>30,015</b>	<b>30,529</b>	<b>31,781</b>	<b>32,333</b>	<b>32,900</b>	<b>33,485</b>

**TABLE F. STATISTICAL PROJECTIONS - Shore Health System**

*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.*

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>3. AVERAGE LENGTH OF STAY (patient days divided by discharges)</b>												
a. MSGA	4.8	5.6	5.6	5.6	5.6	5.6	5.5	5.5	5.5	5.5	5.5	5.5
<b>Total MSGA</b>	<b>4.8</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>
b. Pediatrics	2.5	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
c. Obstetrics	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
e. Psych	8.4	5.7	5.8	5.8	5.8	5.9	5.9	5.9	6.0	6.0	6.0	6.1
f. Rehabilitation	9.7	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
<b>Total Acute</b>	<b>4.8</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>
g. Other (Specify/add rows of needed)												
<b>TOTAL AVERAGE LENGTH OF STAY</b>	<b>4.8</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>	<b>5.1</b>	<b>5.1</b>	<b>5.1</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>
<b>4. NUMBER OF LICENSED BEDS</b>												
a. MSGA	70	75	76	77	78	79	80	81	82	84	85	86
<b>Total MSGA</b>	<b>70</b>	<b>75</b>	<b>76</b>	<b>77</b>	<b>78</b>	<b>79</b>	<b>80</b>	<b>81</b>	<b>82</b>	<b>84</b>	<b>85</b>	<b>86</b>
b. Pediatrics	1	1	1	1	1	1	1	1	1	1	1	1
c. Obstetrics	11	10	10	11	11	11	11	11	11	11	11	11
e. Psych	14	8	8	8	8	8	8	8	11	11	11	12
f. Rehabilitation	11	8	8	9	9	9	10	10	10	11	11	12
<b>Total Acute</b>	<b>107</b>	<b>102</b>	<b>103</b>	<b>106</b>	<b>107</b>	<b>108</b>	<b>110</b>	<b>111</b>	<b>115</b>	<b>118</b>	<b>119</b>	<b>122</b>
g. Other (Specify/add rows of needed)												
<b>TOTAL LICENSED BEDS</b>	<b>107</b>	<b>102</b>	<b>103</b>	<b>106</b>	<b>107</b>	<b>108</b>	<b>110</b>	<b>111</b>	<b>115</b>	<b>118</b>	<b>119</b>	<b>122</b>

**TABLE F. STATISTICAL PROJECTIONS - Shore Health System**

*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.*

	Two Most Recent Years (Actual)		Current Year Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>5. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</b>												
a. MSGA	80.0%	80.0%	80.0%	79.8%	80.0%	80.0%	80.0%	79.8%	80.0%	80.0%	80.0%	79.8%
<b>Total MSGA</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>79.8%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>79.8%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>80.0%</b>	<b>79.8%</b>
b. Pediatrics	5.5%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%	19.7%
c. Obstetrics	46.5%	51.8%	52.1%	47.6%	48.1%	48.5%	48.9%	49.1%	49.6%	50.0%	50.4%	50.7%
e. Psych	71.4%	68.4%	69.0%	69.4%	70.3%	70.9%	71.6%	72.1%	71.1%	71.8%	72.5%	66.9%
f. Rehabilitation	75.7%	75.2%	78.1%	71.8%	74.8%	77.6%	72.6%	75.1%	78.3%	73.9%	76.8%	72.9%
<b>Total Acute</b>	<b>74.3%</b>	<b>75.4%</b>	<b>75.7%</b>	<b>74.4%</b>	<b>75.0%</b>	<b>75.4%</b>	<b>75.0%</b>	<b>75.2%</b>	<b>75.6%</b>	<b>75.3%</b>	<b>75.8%</b>	<b>74.7%</b>
i. Other (Specify/add rows of needed)												
<b>TOTAL OCCUPANCY %</b>	<b>74.3%</b>	<b>75.4%</b>	<b>75.7%</b>	<b>74.4%</b>	<b>75.0%</b>	<b>75.4%</b>	<b>75.0%</b>	<b>75.2%</b>	<b>75.6%</b>	<b>75.3%</b>	<b>75.8%</b>	<b>74.7%</b>
<b>6. OUTPATIENT VISITS (RVU's)</b>												
a. Emergency Department - Easton	25,354	24,931	25,144	25,363	25,588	25,819	26,056	26,300	26,551	26,809	27,074	27,347
b. Emergency Department - Dorchester/Cambridge (OP Only)	12,027	14,539	14,663	14,791	14,922	15,057	15,195	15,338	15,484	15,634	15,789	15,948
c. Emergency Department - Queen Anne's (OP Only)	13,716	18,035	18,189	18,347	18,510	18,677	18,849	19,026	19,207	19,394	19,586	19,783
d. Same Day Surgery (OP Only)	4,609	4,500	4,538	4,578	4,619	4,660	4,703	4,747	4,792	4,839	4,887	4,936
e. Laboratory RVUs (OP Only)	4,988,179	5,941,602	5,992,382	6,044,543	6,098,133	6,153,198	6,209,787	6,267,950	6,327,740	6,389,212	6,452,420	6,517,424
f. Imaging RVUs (OP Only)	1,163,618	1,224,633	1,235,099	1,245,850	1,256,896	1,268,245	1,279,909	1,291,897	1,304,221	1,316,891	1,329,919	1,343,317
g. MRI RVUs (OP Only)	107,394	83,904	84,621	85,358	86,114	86,892	87,691	88,513	89,357	90,225	91,117	92,035
<b>TOTAL OUTPATIENT VISITS (RVU's)</b>	<b>6,314,897</b>	<b>7,312,144</b>	<b>7,374,637</b>	<b>7,438,831</b>	<b>7,504,782</b>	<b>7,572,548</b>	<b>7,642,190</b>	<b>7,713,770</b>	<b>7,787,352</b>	<b>7,863,003</b>	<b>7,940,792</b>	<b>8,020,790</b>

**TABLE F. STATISTICAL PROJECTIONS - Shore Health System**

*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.*

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>7. OBSERVATIONS**</b>												
a. Number of Patients - Easton	3,581	3,602	3,633	3,664	3,697	3,730	3,765	3,800	3,836	3,873	3,912	3,951
b. Hours - Easton	93,658	150,523	150,291	150,084	149,900	149,741	149,607	149,498	149,415	149,358	149,327	149,323
c. Number of Patients - Dorchester/Cambridge	486	134	134	135	137	138	139	140	142	143	144	146
d. Hours - Dorchester/Cambridge	17,730	2,646	2,277	2,297	2,317	2,338	2,360	2,382	2,405	2,428	2,452	2,477

\* 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 G. REVENUES & EXPENSES, UNINFLATED - Shore Health System**

**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 Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>1. REVENUE</b>												
a. Inpatient Services	\$124,234	\$129,265	\$122,858	\$122,675	\$123,276	\$123,732	\$124,173	\$124,090	\$131,531	\$131,439	\$131,363	\$131,287
b. Outpatient Services	\$204,536	\$233,541	\$216,296	\$217,014	\$217,346	\$217,441	\$217,527	\$217,382	\$230,417	\$230,256	\$230,123	\$229,989
<b>Gross Patient Service Revenues</b>	<b>\$328,770</b>	<b>\$362,806</b>	<b>\$339,154</b>	<b>\$339,689</b>	<b>\$340,622</b>	<b>\$341,172</b>	<b>\$341,699</b>	<b>\$341,472</b>	<b>\$361,948</b>	<b>\$361,694</b>	<b>\$361,485</b>	<b>\$361,276</b>
c. Deductions	\$61,770	\$70,527	\$63,036	\$63,136	\$63,309	\$63,412	\$63,509	\$63,467	\$67,273	\$67,226	\$67,187	\$67,148
<b>Net Patient Services Revenue</b>	<b>\$267,000</b>	<b>\$292,279</b>	<b>\$276,117</b>	<b>\$276,553</b>	<b>\$277,312</b>	<b>\$277,761</b>	<b>\$278,190</b>	<b>\$278,005</b>	<b>\$294,675</b>	<b>\$294,469</b>	<b>\$294,298</b>	<b>\$294,128</b>
d. Grants	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
e. Other Operating Revenue	\$12,462	\$11,145	\$7,405	\$7,405	\$7,405	\$7,405	\$7,405	\$7,405	\$7,405	\$7,405	\$7,405	\$7,405
<b>NET OPERATING REVENUE</b>	<b>\$279,462</b>	<b>\$303,424</b>	<b>\$283,523</b>	<b>\$283,959</b>	<b>\$284,718</b>	<b>\$285,166</b>	<b>\$285,595</b>	<b>\$285,410</b>	<b>\$302,080</b>	<b>\$301,874</b>	<b>\$301,704</b>	<b>\$301,533</b>
<b>2. EXPENSES</b>												
a. Salaries & Wages (including benefits)	\$109,453	\$116,928	\$115,870	\$113,988	\$112,179	\$110,509	\$108,902	\$109,362	\$110,013	\$110,622	\$111,235	\$111,854
b. Contractual Services	\$47,970	\$55,769	\$56,418	\$56,418	\$56,322	\$56,229	\$56,141	\$56,141	\$55,856	\$55,856	\$55,856	\$55,856
c. Interest on Current Debt	\$2,346	\$3,044	\$4,993	\$4,893	\$4,795	\$4,699	\$4,605	\$4,513	\$4,423	\$4,335	\$4,248	\$4,163
d. Interest on Project Debt	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$15,694	\$15,362	\$15,014	\$14,647
e. Current Depreciation and Amortization	\$16,972	\$17,243	\$20,336	\$17,914	\$17,028	\$17,231	\$16,483	\$16,566	\$14,232	\$14,791	\$15,446	\$16,102
f. Project Depreciation and Amortization	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$27,961	\$27,961	\$27,961	\$27,961
g. Supplies	\$36,197	\$35,922	\$34,741	\$30,878	\$30,380	\$29,931	\$29,530	\$29,737	\$30,005	\$30,189	\$30,375	\$30,563
h. Professional Fees	\$15,530	\$15,147	\$18,382	\$18,491	\$18,570	\$18,649	\$18,729	\$18,810	\$18,928	\$19,049	\$19,171	\$19,293
i. Insurance & Other	\$3,337	\$4,214	\$4,718	\$4,718	\$4,718	\$4,718	\$4,718	\$4,718	\$4,718	\$4,718	\$4,718	\$4,718
j. Fixed Cost Additions	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$231,805</b>	<b>\$248,267</b>	<b>\$255,457</b>	<b>\$247,301</b>	<b>\$243,992</b>	<b>\$241,967</b>	<b>\$239,109</b>	<b>\$239,847</b>	<b>\$281,831</b>	<b>\$282,883</b>	<b>\$284,023</b>	<b>\$285,158</b>
<b>3. INCOME</b>												
a. Income From Operation	\$47,657	\$55,157	\$28,065	\$36,658	\$40,726	\$43,199	\$46,486	\$45,563	\$20,250	\$18,991	\$17,681	\$16,375
b. Non-Operating Income	\$28,052	\$(20,369)	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187	\$15,187
<b>SUBTOTAL</b>	<b>\$75,709</b>	<b>\$34,788</b>	<b>\$43,253</b>	<b>\$51,845</b>	<b>\$55,913</b>	<b>\$58,386</b>	<b>\$61,674</b>	<b>\$60,751</b>	<b>\$35,437</b>	<b>\$34,179</b>	<b>\$32,868</b>	<b>\$31,563</b>
c. Income Taxes												
<b>NET INCOME (LOSS)</b>	<b>\$75,709</b>	<b>\$34,788</b>	<b>\$43,253</b>	<b>\$51,845</b>	<b>\$55,913</b>	<b>\$58,386</b>	<b>\$61,674</b>	<b>\$60,751</b>	<b>\$35,437</b>	<b>\$34,179</b>	<b>\$32,868</b>	<b>\$31,563</b>

**TABLE G. REVENUES & EXPENSES, UNINFLATED - Shore Health System**

**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 Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>Indicate CY or FY</b>												
<b>4. PATIENT MIX</b>												
<b>a. Percent of Total Revenue</b>												
1) Medicare	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%
2) Medicaid	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%
3) Blue Cross	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
4) Commercial Insurance	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
5) Self-pay	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
6) Other	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>b. Percent of Equivalent Inpatient Days</b>												
1) Medicare	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%
2) Medicaid	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
3) Blue Cross	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
4) Commercial Insurance	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
5) Self-pay	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
6) Other	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Values presented do not include SHS allocations of Shore Medical Group losses, which totaled \$22.57M in FY2021 and \$19.92M in FY2022. These amounts will need to be added back in order to reconcile to the audited financial statements

**Table G – Key Financial Projection Assumptions for Shore Health System (Uninflated)**

Projection is based on the UM Shore Health System FY2023 budgeted revenues and expenses with assumptions identified below

Projection period reflects FY2024 – FY2032

Volumes	— See Table F of the application for volume projections
<b>Patient Revenue</b>	
<ul style="list-style-type: none"> <li>• FY2024                             <ul style="list-style-type: none"> <li>○ HSCRC Inflation Factor — 0.00%</li> <li>○ Quality Adjustments — -0.12%</li> <li>○ Other Rates — 0.40%</li> <li>○ Volume — <u>0.05%</u></li> <li>— Total 0.33%</li> </ul> </li> <li>• FY2025                             <ul style="list-style-type: none"> <li>○ HSCRC Inflation Factor — 0.00%</li> <li>○ Quality Adjustments — 0.00%</li> <li>○ Other Rates — 0.03%</li> <li>○ Volume — <u>0.05%</u></li> <li>— Total 0.08%</li> </ul> </li> <li>• FY2026+                             <ul style="list-style-type: none"> <li>○ HSCRC Inflation Factor — 0.00%</li> <li>○ Quality Adjustments — 0.00%</li> <li>○ Other Rates — -0.10%</li> <li>○ Volume — <u>0.05%</u></li> <li>— Total -0.05%</li> </ul> </li> <li>• Deductions from Gross Revenue — 18.6%</li> <li>• Revenue Enhancements — In FY2029, Shore Health System will request a full rate adjustment of \$24.0M, equal to 50% of depreciation and interest related to the project — Includes an HSCRC Markup factor of 1.1</li> </ul>	
<b>Other Revenue</b>	
<ul style="list-style-type: none"> <li>• Other Operating Revenue Inflation — 2.0%</li> </ul>	
<b>Expenses</b>	
<ul style="list-style-type: none"> <li>• Inflation                             <ul style="list-style-type: none"> <li>○ Salaries &amp; Benefits — 0.0%</li> <li>○ Professional Fees — 0.0%</li> <li>○ Supplies — 0.0%</li> <li>○ Purchased Services — 0.0%</li> <li>○ Insurance &amp; Other — 0.0%</li> </ul> </li> <li>• Volume Variability                             <ul style="list-style-type: none"> <li>○ Salaries &amp; Benefits — 45.0%</li> <li>○ Professional Fees — 80.0%</li> <li>○ Supplies — 50.0%</li> <li>○ Purchased Services — 50.0%</li> <li>○ Insurance &amp; Other — 0.0%</li> </ul> </li> <li>• Interest Expense                             <ul style="list-style-type: none"> <li>○ Project Debt — Interest expense on \$333.3M proceeds from a 30-year issuance of debt at an interest rate of 5%</li> </ul> </li> <li>• Depreciation and Amortization — Reflects depreciation on a \$539.6M project with a weighted average useful life of 19.2 years</li> <li>• Shore Medical Group Physician Loss Allocations — SHS allocations of Shore Medical Group physician losses, totaling \$22.57M in FY2021 and \$19.92M in FY2022 are not included in this projection. This will need to be added back in order to reconcile to the audited financial statements</li> <li>• Performance Improvements                             <ul style="list-style-type: none"> <li>○ Identified PI:                                     <ul style="list-style-type: none"> <li>— Agency Reductions — \$6.0M by FY2027</li> <li>— FTE Savings — \$2.5M by FY2027</li> <li>— 340B Savings — \$4.0M in drug savings &amp; \$1.0M in other savings by FY2027</li> <li>— Inventory Management — \$2.0M by FY2027</li> <li>— Other PI — <u>\$0.5M by FY2027</u></li> </ul> </li> <li>○ Total Identified PI: — \$15.0M by FY2027 (cumulative)</li> <li>○ Unidentified PI: — No unidentified PI included in the projection</li> </ul> </li> </ul>	

**TABLE H. REVENUES & EXPENSES, INFLATED - Shore Health System**

**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	Two Most Recent Years (Actual)		Current Year Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>1. REVENUE</b>												
a. Inpatient Services	\$ 124,234	\$ 129,265	\$ 122,858	\$ 125,719	\$ 129,538	\$ 133,288	\$ 137,134	\$ 140,501	\$ 152,691	\$ 156,448	\$ 160,297	\$ 164,240
b. Outpatient Services	\$ 204,536	\$ 233,541	\$ 216,296	\$ 222,398	\$ 228,386	\$ 234,235	\$ 240,232	\$ 246,132	\$ 267,486	\$ 274,066	\$ 280,809	\$ 287,717
<b>Gross Patient Service Revenues</b>	<b>\$ 328,770</b>	<b>\$ 362,806</b>	<b>\$ 339,154</b>	<b>\$ 348,117</b>	<b>\$ 357,924</b>	<b>\$ 367,523</b>	<b>\$ 377,366</b>	<b>\$ 386,633</b>	<b>\$ 420,177</b>	<b>\$ 430,514</b>	<b>\$ 441,105</b>	<b>\$ 451,958</b>
c. Deductions	\$ 61,770	\$ 70,527	\$ 63,036	\$ 64,702	\$ 66,525	\$ 68,309	\$ 70,139	\$ 71,861	\$ 78,096	\$ 80,017	\$ 81,985	\$ 84,002
<b>Net Patient Services Revenue</b>	<b>\$ 267,000</b>	<b>\$ 292,279</b>	<b>\$ 276,117</b>	<b>\$ 283,415</b>	<b>\$ 291,399</b>	<b>\$ 299,214</b>	<b>\$ 307,227</b>	<b>\$ 314,772</b>	<b>\$ 342,081</b>	<b>\$ 350,497</b>	<b>\$ 359,120</b>	<b>\$ 367,955</b>
d. Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Other Operating Revenue	\$ 12,462	\$ 11,145	\$ 7,405	\$ 7,553	\$ 7,704	\$ 7,859	\$ 8,016	\$ 8,176	\$ 8,340	\$ 8,506	\$ 8,676	\$ 8,850
<b>NET OPERATING REVENUE</b>	<b>\$ 279,462</b>	<b>\$ 303,424</b>	<b>\$ 283,523</b>	<b>\$ 290,968</b>	<b>\$ 299,104</b>	<b>\$ 307,072</b>	<b>\$ 315,243</b>	<b>\$ 322,948</b>	<b>\$ 350,421</b>	<b>\$ 359,003</b>	<b>\$ 367,796</b>	<b>\$ 376,805</b>
<b>2. EXPENSES</b>												
a. Salaries & Wages (including benefits)	\$ 109,453	\$ 116,928	\$ 115,870	\$ 117,408	\$ 119,011	\$ 120,757	\$ 122,571	\$ 126,781	\$ 131,361	\$ 136,051	\$ 140,910	\$ 145,944
b. Contractual Services	\$ 47,970	\$ 55,769	\$ 56,418	\$ 57,546	\$ 58,597	\$ 59,671	\$ 60,769	\$ 61,984	\$ 62,903	\$ 64,161	\$ 65,444	\$ 66,753
c. Interest on Current Debt	\$ 2,346	\$ 3,044	\$ 4,993	\$ 4,893	\$ 4,795	\$ 4,699	\$ 4,605	\$ 4,513	\$ 4,423	\$ 4,335	\$ 4,248	\$ 4,163
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,694	\$ 15,362	\$ 15,014	\$ 14,647
e. Current Depreciation and Amortization	\$ 16,972	\$ 17,243	\$ 20,336	\$ 17,914	\$ 17,028	\$ 17,231	\$ 16,483	\$ 16,566	\$ 14,232	\$ 14,791	\$ 15,446	\$ 16,102
f. Project Depreciation and Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,961	\$ 27,961	\$ 27,961	\$ 27,961
g. Supplies	\$ 36,197	\$ 35,922	\$ 34,741	\$ 31,990	\$ 32,606	\$ 33,281	\$ 34,018	\$ 35,489	\$ 37,099	\$ 38,669	\$ 40,308	\$ 42,018
h. Professional Fees	\$ 15,530	\$ 15,147	\$ 18,382	\$ 19,046	\$ 19,700	\$ 20,378	\$ 21,080	\$ 21,806	\$ 22,601	\$ 23,428	\$ 24,285	\$ 25,173
i. Insurance and Other	\$ 3,337	\$ 4,214	\$ 4,718	\$ 4,812	\$ 4,908	\$ 5,007	\$ 5,107	\$ 5,209	\$ 5,313	\$ 5,419	\$ 5,528	\$ 5,638
<b>TOTAL OPERATING EXPENSES</b>	<b>\$231,805</b>	<b>\$248,267</b>	<b>\$255,457</b>	<b>\$253,610</b>	<b>\$256,647</b>	<b>\$261,024</b>	<b>\$264,632</b>	<b>\$272,348</b>	<b>\$321,587</b>	<b>\$330,177</b>	<b>\$339,143</b>	<b>\$348,401</b>
<b>3. INCOME</b>												
a. Income From Operation	\$ 47,657	\$ 55,157	\$ 28,065	\$ 37,358	\$ 42,457	\$ 46,048	\$ 50,611	\$ 50,600	\$ 28,834	\$ 28,826	\$ 28,654	\$ 28,405
b. Non-Operating Income	\$ 28,052	\$ (20,369)	\$ 15,187	\$ 15,491	\$ 15,801	\$ 16,117	\$ 16,439	\$ 16,768	\$ 14,303	\$ 17,445	\$ 17,794	\$ 18,150
<b>SUBTOTAL</b>	<b>\$ 75,709</b>	<b>\$ 34,788</b>	<b>\$ 43,253</b>	<b>\$ 52,849</b>	<b>\$ 58,258</b>	<b>\$ 62,165</b>	<b>\$ 67,050</b>	<b>\$ 67,368</b>	<b>\$ 43,137</b>	<b>\$ 46,272</b>	<b>\$ 46,448</b>	<b>\$ 46,555</b>
c. Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<b>\$ 75,709</b>	<b>\$ 34,788</b>	<b>\$ 43,253</b>	<b>\$ 52,849</b>	<b>\$ 58,258</b>	<b>\$ 62,165</b>	<b>\$ 67,050</b>	<b>\$ 67,368</b>	<b>\$ 43,137</b>	<b>\$ 46,272</b>	<b>\$ 46,448</b>	<b>\$ 46,555</b>

**TABLE H. REVENUES & EXPENSES, INFLATED - Shore Health System**

**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	Two Most Recent Years (Actual)		Current Year Budgeted	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.								
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>4. PATIENT MIX</b>												
<b>a. Percent of Total Revenue</b>												
1) Medicare	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%	53.4%
2) Medicaid	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%	20.4%
3) Blue Cross	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
4) Commercial Insurance	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
5) Self-pay	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
6) Other	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%	10.8%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>b. Percent of Equivalent Inpatient Days</b>												
<b>Total MSGA</b>												
1) Medicare	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%
2) Medicaid	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
3) Blue Cross	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
4) Commercial Insurance	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
5) Self-pay	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
6) Other	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Values presented do not include SHS allocations of Shore Medical Group losses, which totaled \$22.57M in FY2021 and \$19.92M in FY2022. These amounts will need to be added back in order to reconcile to the audited financial statements

**Table H – Key Financial Projection Assumptions for Shore Health System (Includes HSCRC Annual Update Factors & Expense Inflation)**

Projection is based on the UM Shore Health System FY2023 budgeted revenues and expenses with assumptions identified below

Projection period reflects FY2024 – FY2032

Volumes	See Table F of the application for volume projections
<b>Patient Revenue</b>	
<ul style="list-style-type: none"> <li>• FY2024                             <ul style="list-style-type: none"> <li>○ HSCRC Inflation Factor — 2.48%</li> <li>○ Quality Adjustments — -0.12%</li> <li>○ Other Rates — 0.40%</li> <li>○ Volume — 0.05%</li> <li>— Total 2.81%</li> </ul> </li> <li>• FY2025                             <ul style="list-style-type: none"> <li>○ HSCRC Inflation Factor — 2.50%</li> <li>○ Quality Adjustments — 0.00%</li> <li>○ Other Rates — 0.03%</li> <li>○ Volume — 0.05%</li> <li>— Total 2.58%</li> </ul> </li> <li>• FY2026+                             <ul style="list-style-type: none"> <li>○ HSCRC Inflation Factor — 2.50%</li> <li>○ Quality Adjustments — 0.00%</li> <li>○ Other Rates — -0.10%</li> <li>○ Volume — 0.05%</li> <li>— Total 2.45%</li> </ul> </li> <li>• Deductions from Gross Revenue — 18.6%</li> <li>• Revenue Enhancements — In FY2029, Shore Health System will request a full rate adjustment of \$24.0M, equal to 50% of depreciation and interest related to the project — Includes an HSCRC Markup factor of 1.1</li> </ul>	
<b>Other Revenue</b>	
<ul style="list-style-type: none"> <li>• Other Operating Revenue Inflation — 2%</li> </ul>	
<b>Expenses</b>	
<ul style="list-style-type: none"> <li>• Inflation                             <ul style="list-style-type: none"> <li>○ Salaries &amp; Benefits — 3.0%</li> <li>○ Professional Fees — 3.6%</li> <li>○ Supplies — 3.0%</li> <li>○ Purchased Services — 2.0%</li> <li>○ Insurance &amp; Other — 2.0%</li> </ul> </li> <li>• Volume Variability                             <ul style="list-style-type: none"> <li>○ Salaries &amp; Benefits — 45%</li> <li>○ Professional Fees — 80%</li> <li>○ Supplies — 50%</li> <li>○ Purchased Services — 50%</li> <li>○ Insurance &amp; Other — 0%</li> </ul> </li> <li>• Interest Expense                             <ul style="list-style-type: none"> <li>○ Project Debt — Interest expense on \$333.3M proceeds from a 30-year issuance of debt at an interest rate of 5%</li> </ul> </li> <li>• Depreciation and Amortization — Reflects depreciation on a \$539.6M project with a weighted average useful life of 19.2 years</li> <li>• Shore Medical Group Physician Loss Allocations — SHS allocations of Shore Medical Group physician losses, totaling \$22.57M in FY2021 and \$19.92M in FY2022 are not included in this projection. This will need to be added back in order to reconcile to the audited financial statements</li> <li>• Performance Improvements                             <ul style="list-style-type: none"> <li>○ Identified PI:                                     <ul style="list-style-type: none"> <li>— Agency Reductions — \$6.0M by FY2027</li> <li>— FTE Savings — \$2.5M by FY2027</li> <li>— 340B Savings — \$4.0M in drug savings &amp; \$1.0M in other savings by FY2027</li> <li>— Inventory Management — \$2.0M by FY2027</li> <li>— Other PI — \$0.5M by FY2027</li> </ul> </li> <li>○ Total Identified PI: — \$15.0M by FY2027 (cumulative)</li> <li>○ Unidentified PI: — No unidentified PI included in the projection</li> </ul> </li> </ul>	

**TABLE L. WORKFORCE INFORMATION - SHS**

**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.

Job Category	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) *	
	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	Total Cost (should be consistent with projections in Table G)
<b>1. Regular Employees</b>											
Administration (List general categories, add rows if needed)											
<b>Total Administration</b>	218.5	\$ 66,260	\$ 14,477,936			\$ -			\$ 4,411,660	218.5	\$ 18,889,596
Direct Care Staff (List general categories, add rows if needed)											
Med/Surg Acute	195.1	\$ 77,437	\$ 15,110,442	(4.4)	\$ 77,437	\$ (343,515)	(11.6)	\$ (309,787)	\$ 3,606,835	179.1	\$ 18,373,762
Pediatrics	9.6	74,226	712,577				-	-	216,930	9.6	929,507
Obstetrics	43.1	98,711	4,252,496				(3.7)	(241,815)	900,247	39.4	5,152,743
Operating Room	87.2	83,993	7,325,329				(9.1)	(146,895)	1,341,606	78.1	8,666,935
Psych	23.8	77,541	1,845,478				1.5	543,275	791,307	25.3	2,636,785
Rehab	42.0	82,923	3,482,791				7.0	258,857	1,815,100	49.0	5,297,891
Emergency Department	122.6	98,200	12,038,972				(8.6)	(328,762)	2,822,469	114.0	14,861,442
Lab	79.7	69,125	5,512,095				(5.2)	(257,920)	1,335,058	74.6	6,847,153
Pharmacy	32.7	91,911	3,005,495				(2.1)	(342,940)	727,946	30.6	3,733,441
Radiology	74.3	90,200	6,706,249				(4.8)	(336,558)	1,624,288	69.5	8,330,537
Other Ancillary Services	187.4	68,273	12,797,255				(14.2)	(218,178)	3,100,666	173.2	15,897,921
<b>Total Direct Care</b>	897.7	\$ 81,088	\$ 72,789,180	(4.4)	\$ 77,437	\$ (343,515)	(51.0)	\$ (358,815)	\$ 18,282,452	842.3	\$ 90,728,116
Support Staff (List general categories, add rows if needed)											
Security	25.6	\$ 45,896	\$ 1,174,938				-	-	358,090	25.6	1,533,028
Environmental Services	51.6	34,251	1,767,347				-	-	538,640	51.6	2,305,988
Other Support Staff	52.7	74,400	3,921,675				0.3	3,828,440	1,216,971	53.0	5,138,646
<b>Total Support</b>	129.9	\$ 52,836	\$ 6,863,961				0.3	\$ 6,649,439	\$ 2,113,701	130.2	\$ 8,977,662
<b>REGULAR EMPLOYEES TOTAL</b>	1,246.1	\$ 75,542	\$ 94,131,076	-4.4	\$ 77,437	\$ (343,515)	(50.6)	\$ (489,940)	\$ 24,807,813	1,191.0	\$ 118,595,374
<b>2. Contractual Employees</b>											
Administration (List general categories, add rows if needed)											
<b>Total Administration</b>											
Direct Care Staff (List general categories, add rows if needed)											
<b>Total Direct Care Staff</b>											
Support Staff (List general categories, add rows if needed)											
<b>Total Support Staff</b>											
<b>CONTRACTUAL EMPLOYEES TOTAL</b>											
Benefits (State method of calculating benefits below):			\$ 21,738,646						\$ 5,610,297		\$ 27,348,944
23.1% of Salaries											
<b>TOTAL COST</b>	1,246.1		115,869,723	(4.4)		\$ (343,515)	(50.6)		\$ 30,418,111		\$ 145,944,318