

April 16, 2018

VIA HAND DELIVERY

Ms. Ruby Potter
Health Facilities Coordination Officer
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

Re: Responses to March 27, 2018 Completeness Questions
University of Maryland St. Joseph Medical Center, LLC
Replacement and Consolidation of Perioperative Services Facilities

Dear Ms. Potter:

On behalf of applicant University of Maryland St. Joseph Medical Center, LLC, I am submitting four copies of its responses to the completeness questions that were received from the Commission on March 27, 2018.

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

Sincerely,


Mallory Regenbogen

Enclosures

cc: Kevin McDonald, Chief, Certificate of Need
Paul Parker, Director, Center for Health Care Facilities Planning & Development, MHCC
Suellen Wideman, Esq., Assistant Attorney General, MHCC
William Chan, Health Policy Analyst, HSP&P/CON
Gregory Branch, Health Officer, Baltimore County Health Department
Paul Nicholson, Senior VP/CFO, UM St. Joseph Medical Center
Craig Carmichael, Senior VP Operations, UM St. Joseph Medical Center
Walter Furlong, VP Strategy/Business Development, UM St. Joseph Medical Center
Matthew M. McGovern, Program Manager, UM St. Joseph Medical Center
Andrew L. Solberg, A.L.S. Healthcare Consultant Services
Thomas C. Dame, Esq.

013660-0001

**University of Maryland St. Joseph Medical Center
Replacement of Operating Rooms
Matter No. 18-03-2415**

Responses to Additional Information Questions Dated March 27, 2018

PART I – PROJECT IDENTIFICATION AND GENERAL INFORMATION

- 1. Please provide a summary of the UM SJMC Master Facility Plan discussed on p. 4, providing a short synopsis on the hospital’s strategic plans regarding the two phases for the consolidation and renovation of SJMC.**

Applicant Response

In 2011, UM SJMC completed a Master Facility Plan to identify possible future construction projects and areas of service line growth. At that time, UM SJMC anticipated building 14 new operating rooms in a new construction project that would expand the northeast corner of the hospital that could serve as the base of a future bed tower. This plan included consolidating all operating rooms, including the cardiac operating rooms, in a single location on the east side of the building to create operational efficiencies and modernize its perioperative services. It also included expanding the cardiac labs on the west side of the building and retaining them in close proximity to the existing ED and adjacent to the cardiac prep and recovery space.

Since the Master Plan was completed seven years ago, there have been two significant changes that have modified this plan:

- 1) UM SJMC determined that it would be more efficient to keep the cardiac operating rooms on the west side of the building with the cardiac labs to maintain an integrated heart center. Keeping the cardiac interventional spaces together (ORs and cath labs) creates more operational overlaps and cost savings than by combining the general and cardiac ORs in a single location.
- 2) Based upon recent volumes, projected need, and estimated construction costs, UM SJMC determined that it could create operational efficiencies and modernize in a more cost effective manner by renovating in place rather than expanding the hospital. The proposed expansion in the Master Plan would be significantly more expensive than the current requested renovation, and it would have left approximately 20,000 SF or more of vacated space within the existing building.

This project meets the hospital’s original objectives identified in the original Master Plan but has been refined to account for the changes discussed above.

- 2. The CON application presents conflicting information regarding the number of ORs, and is also in conflict with what was reported to MHCC for its Annual Report on Selected Maryland Acute Care and Special Hospital Services, Fiscal Year 2017.**

The application indicates on p. 5 that the facility has a total of 20 ORs (16 general ORs and 4 cardiac ORs located on the ground floor), but on p. 38 it claims 21 ORs. *MHCC's Annual Report on Selected Maryland Acute Care and Special Hospital Services, Fiscal Year 2017*, reports in Table 18 that UM SJMC had a total of 19 ORs in inventory from June 1, 2014 through June 1, 2016.¹

Please clarify:

- the total number of ORs currently in service at UM SJMC
- how many will be in service upon completion of the project
- why current number of ORs apparently differs from what you reported for the MHCC Annual Report.

Applicant Response

UM SJMC reported in its June 2017 Annual Report to MHCC that its operating room inventory includes 15 mixed use general purpose operating rooms, 4 mixed use special purpose operating rooms, and 2 dedicated cesarean section operating rooms, a total of 21 operating rooms. Page 38 of the CON application also describes the hospital's operating room inventory as 21 operating rooms, which is consistent with the MHCC annual report. UM SJMC also noted in its 2017 Annual Report to MHCC that the 15 general purpose operating rooms in its inventory included operating rooms that were currently under construction pursuant to determination of CON coverage letters from the Commission for construction of a hybrid operating room and renovation of operating rooms that were damaged due to a water incursion incident, meaning not all of the operating rooms were available for use.

Page 5 of the CON application describes UM SJMC's operating rooms as they existed prior to the water incursion incident that occurred in May 2016, which included 9 general operating rooms on the east side of the ground floor and 7 general purpose ORs on the south side of the ground floor, or a total of 16 general purpose operating rooms. Of the 9 operating rooms described on the east ground floor, UM SJMC did not consider OR #10 shown in Exhibit 2, Ground Floor Existing Plan A1.00A, to be part of its inventory because this operating room was not used except when another operating room was out of commission. UM SJMC never had more than 15 general operating rooms in service at any given time. Since the water incursion incident, however, UM SJMC has put OR #10 in service in order to meet its surgical demands while other operating rooms were out of service.

¹ *MHCC's Annual Report on Selected Maryland Acute Care and Special Hospital Services, Fiscal Year 2017*, reports in Table 18 (on p. 28) that UM SJMC had a total of 19 ORs in inventory from June 1, 2014 through June 1, 2016 (15 Mixed Use General Purpose and 4 Mixed Use Special Purpose ORs). The report is available at: https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_hospital/documents/acute_care/chcf_Annual_Rpt_Selected_Hospital_Services_FY2017.pdf.

UM SJMC has carefully planned its renovations of the water damaged operating rooms and its phasing for the current project in order to keep as many operating rooms in service as possible during renovations in order to continue meeting the demand for surgical services during the renovations. As of today, 12 general operating rooms and 2 cardiac operating rooms are in service, and the hybrid operating room recently opened in February 2018. Please see Table 22 below which shows a summary of the operating rooms that were in service prior to the water incursion incident, the current ORs that are in service, and the ORs that will be in service upon completion of this project.

Table 22
UM SJMC Operating Room Inventory

Operating Room Type	ORs In Service Prior to Water Incursion Incident	ORs Currently in Service	ORs In Service Upon Completion of Project
Mixed Use General Purpose ORs	15	12	11
Special Purpose ORs	4 cardiac	3 cardiac (1 hybrid OR 2 cardiac)	3 cardiac (1 hybrid OR 2 cardiac)
Labor and Delivery	2	2	2
Total	21	17	16

3. Please list the types of inpatient and/or outpatient surgical procedures that will be performed in the single hybrid special purpose operating room.

Applicant Response

The hybrid special purpose operating room is equipped with advanced medical imaging system to allow for minimally invasive and open complex surgeries using real time high quality imaging guidance. The hybrid operating room also meets the requirements of a standard operating room in terms of sterility, anesthesia capability, and equipment, which allows the surgical team to rapidly transition a patient to open heart surgery when serious complications arise without compromising the safety of the patient. Hybrid operating rooms are now considered a standard of care for medical centers with cardiac surgery programs.

UM SJMC anticipates that all procedures performed in the hybrid operating room will be inpatient procedures. UM SJMC will be primarily performing transcatheter aortic valve replacements (TAVRs) in the hybrid operating room. The hybrid operating room will also serve a backup function should an emergency case arise when the other two cardiac operating rooms are in use.

Aortic Stenosis is a potentially fatal narrowing of the aortic valve leading to obstruction of blood flow across the valve. The population at risk for aortic stenosis is growing. The only effective treatment for severe aortic stenosis is to replace the diseased aortic valve, which has

historically been replaced through open heart surgeries. However, about 40% of patients with severe aortic stenosis are considered high risk for open heart surgery because of advanced age, frailty and medical comorbidities. These patients can be treated with TAVR. TAVR allows the damaged aortic valve to be replaced with a new valve without sternotomy (surgical incision of sternum/chest bone) while the heart is still beating, resulting in reduced healing time, less risk of stroke, reduced hospitalization stay, and improvement in survival and quality of life.

- 4. Please provide a Gantt Chart showing the timeline for the five phases for this project and when the applicant expects to complete the entire project.**

[Applicant Response](#)

Please see **Exhibit 22** for a Gantt Chart showing the five phases of this project and associated timeframes for each phase.

- 5. Does the project budget include the costs associated with “minimizing disruption to patient care,” such as premium pay for off-hour and weekend work, and/or costs for cleaning and sterilizing the patient and surgical areas before use each day?**

[Applicant Response](#)

The Project Budget includes the costs associated with minimizing disruption to patient care, including costs associated with premium pay to account for portions of the renovation work that will be performed during off-hours and weekends. The project phasing has also been carefully planned to enable the hospital to renovate defined areas while maintaining hospital operations and the volumes currently realized in the various procedural spaces not affected by a given phase. The budget also accounts for the costs associated with maintaining the defined construction boundaries separating the construction areas from the public and procedural areas so that day to day operations are not impacted. The construction boundary walls, the envelope of construction, will be constructed in a manner that will isolate the construction areas. The isolation of the construction activities will be further enhanced by maintaining the construction areas under negative pressure, which will allow airflow into the construction areas that will then be filtered and ultimately rejected to the outside of the building. The construction contractor and hospital staff will implement these measures to prevent the migration of construction dust or debris from migrating into patient care areas with oversight provided by hospital leadership, including Infection Prevention. As a result of these measures, the daily cleaning and sterilizing of patient and surgical areas will not be required other than those cleaning and sterilization measures that are routinely performed as part of day to day operations.

- 6. Regarding Exhibit 1, Table F, please explain why the licensed number of ICU/CCU licensed beds disagrees with the number indicated in Table A. Table F indicates the number of ICU/CCU beds remains the same from FY 2016 to FY 2025 even though you plan to decrease the number of CSU beds. Please make any revisions to show the decrease in utilization as a result of taking 3 CSU beds out of service.**

The number of ICU/CCU beds represented in Table F is incorrect, as the CSU beds will decrease by three as a result of this project. Please see **Exhibit 22** for a revised Table F.

PART II – PROJECT BUDGET

7. Please respond to the following:

- a. In which of the five phases will the new construction of the two elevators take place and revise the Project Budget to include the costs for the elevators under New Construction.**

Applicant Response

The two elevators will be constructed during Phase 2. Please see **Exhibit 23** for an alternative Project Budget that includes the costs of the elevators under New Construction.

- b. Provide the assumptions and basis for: the \$3,679,709 in contingency allowance; \$2,878,932 in inflation allowance; and \$1,499,000 in non-CON consulting fees.**

Applicant Response

Contingency

Contingency is 7.5% of the Subtotal of “Renovation” plus Movable Equipment:

Subtotal of Renovation	\$37,376,357
Movable Equipment	\$11,630,000
Total	\$49,006,357
Contingency Allowance	\$3,679,709
Contingency Percent	7.51%

Inflation

UM SJMC utilized the MHCC’s inflation index that it posts on its website to calculate inflation from the date that the project costs were developed to the midpoint of construction.

Costing Date	2017.3				
Midpoint of Construction	2021.1				
Step 1	2018.3	%MOVAVG	1.4	1.014	A
Step 2	2019.3	%MOVAVG	1.5	1.015	B
Step 3	2020.3	%MOVAVG	1.6	1.016	C
Step 4	2020.3	CIS Proxy	1.209		D
	2021.1	CIS Proxy	1.217		E
	D/C			1.007	F

		$A * B * C * F$			1.052597

Please note that the MHCC Index only projected inflation rates through the second quarter of 2019. Therefore, UM SJMC had to project the rates from the third quarter of 2019 through the first quarter of 2021. It did so by calculating the Compound Average Growth Rates (CAGR) from the first quarter of 2017 through the second quarter of 2019. These are shown below.

		CAGR 17:1-19:2		CAGR 17:1-19:2
Quarter	CISProxy	0.003622	%MOVAVG	0.016027
2017:1	1.149	From Index	1.3	From Index
2017:2	1.153	From Index	1.3	From Index
2017:3	1.156	From Index	1.3	From Index
2017:4	1.162	From Index	1.4	From Index
2018:1	1.166	From Index	1.4	From Index
2018:2	1.17	From Index	1.4	From Index
2018:3	1.173	From Index	1.4	From Index
2018:4	1.179	From Index	1.4	From Index
2019:1	1.183	From Index	1.5	From Index
2019:2	1.187	From Index	1.5	From Index
2019:3	1.191	Projected	1.5	Projected
2019:4	1.196	Projected	1.5	Projected
2020:1	1.200	Projected	1.6	Projected
2020:2	1.204	Projected	1.6	Projected
2020:3	1.209	Projected	1.6	Projected
2020:4	1.213	Projected	1.7	Projected
2021:1	1.217	Projected	1.7	Projected

As shown above, the calculated inflation rate is 5.2596648%.

Total Current Capital Costs	\$54,736,066
Inflation %	5.2596648%
Inflation	\$2,878,934

Non-CON Consulting Fees

UM SJMC has had considerable consultant costs that are not directly related to CON application assistance. These include:

- Transition Planning
- Radiation Protection Consultant

- Preconstruction Management Services
- Retro-Cx
- Air Entrainment Study
- System Performance Testing

In addition, the UM SJMC initially intended the project to include new construction but abandoned that project after considerable design and consulting work was completed because the estimates of costs were too high. These “Reset Expenses” are included in the non-CON related consulting line because they do not relate to the CON project for which an application was actually submitted.

c. Explain the apparently exorbitant CON application-related costs of \$886,000 (\$150,000 in legal fees and \$736,000 listed as “Other”). Itemize those costs.

Applicant Response

UM SJMC originally intended to file its CON application for this project in February 2017, but after considerable work on the CON application decided to defer filing in order to make changes to the project to make it more cost effective. The CON application that UM SJMC submitted in February 2018 includes a complete redesign of the original project (which proposed an expansion and renovation project). For these reasons, this has been a complex CON application. The goals of the project are the same as the goals of the original project, but the project has been redesigned and refined by the CON team, which includes an architectural firm, a financial and volume projection team, cost estimators, and a strategic planning/CON consultant.

In addition, UM SJMC included in the Project Budget adequate funds to cover a worst-case scenario, such as another hospital opposing the project and the potential of having a hearing on the project. There is no harm in including these potential costs in the budget because, if the budgeted money is not spent, the project simply will cost less than budgeted.

8. Please provide an update on the applicant’s ability to raise \$20 million in philanthropy. What is the applicant’s history with raising funds for capital projects in the past, and do you have a back-up plan should the fundraising campaign not reach this goal?

Applicant Response

The fundraising goal for the UM SJMC “Miracles Happen Here Campaign” is \$21M. This total amount is dedicated to the overall perioperative services renovation project, including the hybrid OR renovation for which UM SJMC received a determination of CON coverage. As of March 2018, 58% of that target has already been achieved.

The UM SJMC Foundation has a very committed community base and a strong track record based on prior fundraising campaigns. Since the year 2000, other hospital campaigns have raised a combined \$43.7M. Please see **Exhibit 24** for a summary of UM SJMC’s progress to date for the Miracles Happen Here Campaign and of its prior fundraising campaigns.

If for some reason the total amount is not raised, the required funds will be contributed from hospital operations.

**PART IV – CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR
10.24.01.08G(3)**

COMAR 10.24.10, ACUTE CARE CHAPTER

Quality of Care

9. **Staff notes that the review of UM SJMC’s Quality of Measures on March 7, 2018 indicates that while the applicant has improved performance in a number of areas, one quality of care measure changed from “At Average” to “Below Average.” Please provide details on how the applicant will correct the following quality measure:²**

Results of Care	Rating	Risk-Adjusted Rates
Death rate for stroke patients	Below Average	17.3 (14.5, 20.5)

Applicant Response

UM SJMC intends to take the following steps to improve its performance related to this quality measure:

1. Core measures for stroke care are now measured by physician and incorporated into their every 6 month OPPE (ongoing professional practice evaluations) with peer comparison data.
2. UM SJMC has implemented IMPRV (lean process improvement) work groups to address expediting tissue plasminogen activator (TPA) administration. TPA, when promptly administered, can save a patient’s life and reduce the long-term effects of a stroke. The emergency department IMPRV work project has showed a substantial reduction in door to needle times. The Inpatient IMPRV project has just begun.
3. Tele stroke communication with UMMC is being put in place for acute stroke patients, to be in effect July 1, 2018.

² Note: CMS provides an update on these quality measures on a quarterly basis (next update is April 1, 2018), though not all of the measures are updated at the same time. Staff requests that the applicant review the status of its quality of care measures during the course of the project’s CON review and provide any updates with the course of correction if the status of these measures should change and receive a rating of “below average.”

Adverse Impact

10. Please respond to the following:

- a. **Has the applicant opened preliminary discussion with the Health Services Cost Review Commission (“HSCRC”) on a potential request for partial rate review increase or change to the Global Budget Revenue (“GBR”), and what was the result from this meeting?**

Applicant Response

Leadership from UM SJMC and the University of Maryland Medical System (UMMS) met with the HSCRC in early January 2018 to discuss the CON project. UM SJMC discussed with HSCRC the options related to rate support for the project including a partial rate application specific to the project and the possibility of a full rate application. Commission methodology on efficiency measures and support for capital expenses are unclear at this time. UM SJMC reserves the right to request rate relief for this project.

- b. **State when UM SJMC expects to submit a partial rate application or modification to the Global Budget Review (“GBR”) to the HSCRC.**

Applicant Response

UMMS intends to submit a request for rate support, on behalf of UM SJMC, after the CON application is docketed.

- c. **If the HSCRC denies or grants less than the 0.79% increase in GBR, does the applicant still consider this project to be financially viable and will UM SJMC move forward with this project?**

Applicant Response

UM SJMC will be further constrained financially if the HSCRC does not provide the requested 0.79% rate increase for project depreciation. Please see **Exhibit 25** for the alternative Tables G and Table H, which demonstrate the financial impact should rate funding not be received. UM SJMC anticipates a 0.6% decrease in projected operating margin should rate funding not be received. The decline in operating margin will negatively impact UM SJMC’s bond rating, which could result in higher interest rates. It will also limit UM SJMC’s ability to invest in other strategic initiatives, including funding other projects that are vital to the community.

- d. **The standard requests that the applicant provide a response as to whether the downsizing of the perioperative services will have an impact on the availability or accessibility of care for indigent and/or uninsured patients in your primary service area?**

Applicant Response

The downsizing of the perioperative services will not have an impact on the availability or accessibility of care for indigent or uninsured patients in UM SJMC’s primary service area. UM SJMC is not constructing fewer operating rooms and related services than it projects will be needed by the residents of its service area. Rather, the hospital is “right-sizing” its capacity for the expected volume, based on the MHCC’s own measure of optimal capacity per operating room. Please note that in Table G (Revenues & Expenses, Uninflated – Entire Facility) and Table H (Inflated), UM SJMC did not change the payor mix.

Construction Cost of Hospital Space

- 11. Please provide the assumptions and/or calculations used to arrive at the following values used in the MVS Valuation Benchmark reported on p. 35 of CON application: Perimeter Multiplier; Height Multiplier; Multi-Story Multiplier, and Sprinkler value.**

Applicant Response

Area/Perimeter Multiplier

UMSJMC used the following interpolation to calculate this multiplier:

		Perimeter						
		1,200	1,204	1,400		1200	1204	1400
Area	20,000	1		1.027		1		1.027
	21,873					0.9883905	0.9888546	1.0131435
	25,000	0.969		0.99		0.969		0.99
Area Interpolation								
1	1	-	0.969	=	0.031			
2	21872.5	-	20000	=	1872.5			
3	25000	-	20000	=	5000			
4	1872.5	/	5000	=	0.3745			
5	0.031	*	0.3745	=	0.0116095			
6	1	-	0.0116095	=	0.9883905			
7	1.027	-	0.99	=	0.037			
8	0.037	*	0.3745	=	0.0138565			
9	1.027	-	0.0138565	=	1.0131435			
Perimeter Interpolation								
10	1400	-	1200	=	200			
11	1203.75	-	1200	=	3.75			
12	3.75	/	200	=	0.01875			
13	1.0131435	-	0.9883905	=	0.024753			
14	0.024753	*	0.01875	=	0.000464119			
15	0.9883905	+	0.0004641	=	0.988854619			

Multi-Story Multiplier

SJMC made an error in calculating the Multi-Story Multiplier. Rather than 1.015, it should have been 1.005, as one multiplies the number of floors above the third floor by .005 per Section 15, Page 25 of the MVS book. This correction does not materially change the outcome.

MVS Benchmark	\$610.48
The Project	\$427.21
Difference	-\$183.27
	-30.02%

Sprinkler Value

SJMC used the following interpolation to calculate the sprinkler value:

Sprinkler Interpolation	75,000	3.02			
	87,490	2.95			
	100,000	2.88			
1	3.02	-	2.88	=	0.14
2	87,490	-	75000	=	12490
3	100000	-	75000	=	25000
4	12490	/	25000	=	0.4996
5	0.14	*	0.4996	=	0.069944
6	3.02	-	0.069944	=	2.950056

Inpatient Nursing Unit Space

- The proposed plan results in a nursing unit of about 532 sq. ft. per bed (Exhibit 16). Please provide a calculation of the projected construction cost for the space that exceeds the per bed square footage limitation in this standard and those portions of the contingency allowance, inflation allowance, and capitalized construction interest expenditure that are based on the excess space (which totals approximately 191 DGSF). Show the calculations and include any assumptions.

Applicant Response

UM SJMC calculates that the cost of the space which the MHCC Staff is citing as excess space is as follows:

Building	\$31,532,581	Plus
Contingency Allowance	\$4,263,792	Plus
Inflation Allowance	\$2,909,654	Plus
Gross interest during construction period	\$0	

Total Cost	\$38,706,027	Sum
Total Square Footage	87,490	
Total Cost per SF	\$442	Total Cost/Total SF
“Excess” SF	191	
Cost of “Excess” SF	\$84,499	Excess SF X Total Cost/Total SF

Note that this calculation is based on the Project Budget filed in the CON application and not the alternative Project Budget found in **Exhibit 23**.

Efficiency

- 13. Regarding Exhibit 1, Table L, please provide the rationale for the reduction of 5.3 (58.2%) FTEs in CT staffing as a result of the proposed project.**

Applicant Response

The renovations on the ground floor of the hospital will impact many departments across the organization. Significant improvements in efficiency will be gained due to co-location of services and improved patient flow. This will allow operational departments to perform at an optimal level. In preparing our response to the completeness question, we identified a slight error in the identification of cost centers to be impacted by the renovations. UM SJMC is not anticipating a reduction in CT FTEs due to the project. This reduction should have been applied to the cardiac catheter cost center. The reduction of cardiac catheter staffing will result from the conversion of AVR cases to TAVR cases, which require less staffing support. Please see **Exhibit 21** for a revised Table L.

Patient Safety

- 14. Please explain how an “automation system” that apparently is related to the EMR enhances patient safety (as indicated on p. 42 of the application).**

Applicant Response

Automated systems such as the electronic medical record (EMR) referenced in the application eliminates the need for manual, paper charting by automating documentation and enhances patient safety through timely reporting as well as patient tracking. The EMR allows staff, particularly nurses, to time-stamp at the point of service and track the location of patients during their perioperative flow. As patients move through the perioperative suite, clinicians and staff are able to follow their progress through the use of tracking screens ensuring that staff and supplies are timely and available in the correct location to better serve patients and facilitate higher quality outcomes. Documentation and clinical data entry are also entered in real-time and can be more easily aggregated in the EMR system than in paper charting, allowing patient outcomes to be more easily analyzed which allows for continuous quality improvement. The operating room integration technology allows clinicians to access, view, and store images in a

more automated fashion while in the operating and procedure rooms. This enhances patient safety by permitting clinicians to form decisions based on the newest clinical data available.

Financial Feasibility

- 15. Please revise Tables G and H to show whether the proposed project is financially feasible if UM SJMC does not receive a partial rate increase or modification to the Global Budget Review (“GBR”) from the HSCRC.**

Applicant Response

In preparing its completeness responses, UM SJMC realized a slight error in the deductions formula applied in Tables G and H that were submitted with the CON application. Please see **Exhibit 21** for revised Tables G and H, which have been modified to make minor changes to the deductions and expenses that were included in the original Tables G and H. The revised Tables G and H also include an additional \$2.8M per year in variable salary and supply costs related to the performance of TAVR procedures. Projected variable costs for TAVR procedures were not included in the original Tables G and H as they were not being performed by UM SJMC at the time the application was filed. UM SJMC anticipates being able to offset the increase in variable costs with the performance improvement activities identified under the Efficiency Standard .04B(11) on pages 38-40 of the CON application.

Attached as **Exhibit 25** are alternative Tables G and H, which show the result if UM SJMC does not receive a partial rate increase and include the same changes to the deductions, expenses, and variable costs related to the TAVR procedures as the revised Tables G and H. If the partial rate increase is not received, the projected operating margin will decline from 3.0% to 2.4%. This reduction will limit UM SJMC’s ability to invest in other strategic initiatives.

- 16. Exhibit 1, Table G: Please explain the negative non-operating income shown in FY 2016 and FY 2017.**

Applicant Response

Negative non-operating income in FY2016 and FY2017 was primarily driven by the impact of investment performance on self-insurance trust funds and net assets released from restrictions. Negative other non-operating income / expense is attributable to settlements on swap accounts. **Table 23** below provides further detail of negative non-operating income in Table G:

**Table 23
Negative Non-Operating Income Represented in Table G**

	Actual	
	FY2016	FY2017
Non-operating revenue and expenses		
Contributions	\$456	\$279
Impact of investment performance on self-insurance trust funds	(301)	(565)

Gain (Loss) on investment in joint ventures	664	834
Total return on investments	(284)	1,322
Net assets released from restrictions	(196)	(3)
Other non-operating income / expense	(2,178)	(2,452)
Total non-operating revenue, net of expenses	<u>\$(1,839)</u>	<u>\$(585)</u>

17. With the approval of your project, does UM SJMC expect to see an increase in the surgical charges associated with OR procedures? If so, please discuss how this project will impact charges for inpatient, outpatient, and cardiac surgical procedures?

Applicant Response

UMSJMC anticipates a reduction in surgical charges associated with OR procedures as a result of this project whether or not the rate application is approved. The anticipated reduction in charges for OR procedures will result from a projected 3.0% increase in surgical minutes, with a lesser increase in approved revenue. The tables below demonstrate the projected change in OR charges per minute with and without approval of the rate application:

Table 24
Pro-forma Charge per Minute *with* Partial Rate Approval

	FY2018 Charge Per Minute	Pro-Forma Adjusted Charge Per Minute (1)	Partial Rate Approval Charge Per Minute Impact
Inpatient Surgery	\$177.76	\$173.94	\$(3.81)
Cardiac Surgery	154.99	51.66	(3.33)
Outpatient Surgery	86.11	84.27	(1.85)

(1) Includes impact of 3.0% volume increase and 0.79% rate increase

Table 25
Pro-forma Charge per Minute *without* Partial Rate Approval

	FY2018 Charge Per Minute	Pro-Forma Adjusted Charge Per Minute (2)	No Partial Rate Approval Charge Per Minute Impact
Inpatient Surgery	\$177.76	\$172.58	\$(5.18)
Cardiac Surgery	154.99	50.47	(4.51)
Outpatient Surgery	86.11	83.61	(2.51)

(2) Only includes impact of 3.0% volume increase

Under either scenario, the charge per minute for surgical procedures will decline.

COMAR 10.24.11, General Surgical Services

Need – Minimum Utilization for Establishment of a New or Replacement Facility

18. Please identify which of the zip codes in the service area shown on p. 52 would comprise the primary service area.

Applicant Response

Table 26 below identifies the ZIP codes comprising 65% of FY 2017 UM SJMC surgical discharges, as well as indicating these ZIP codes' presence in the primary or secondary service areas as indicated in UM SJMC's GBR agreement.

**Table 26
UM SJMC Primary Service Area
Based on FY 2017 Surgical Discharges**

<u>Zip Code</u>	<u>City</u>	<u>County</u>	<u>% of Visits</u>	<u>Cumulative %</u>	<u>GBR Service Area</u>
21234	Parkville	Baltimore County	7.6%	7.6%	PSA
21093	Lutherville Timonium	Baltimore County	5.9%	13.5%	PSA
21236	Nottingham	Baltimore County	3.5%	17.0%	PSA
21030	Cockeysville	Baltimore County	3.1%	20.1%	PSA
21286	Towson	Baltimore County	2.8%	23.0%	PSA
21212	Baltimore	Baltimore City	2.7%	25.7%	PSA
21117	Owings Mills	Baltimore County	2.4%	28.1%	PSA
21204	Towson	Baltimore County	2.4%	30.5%	PSA
21208	Pikesville	Baltimore County	2.4%	32.9%	PSA
21014	Bel Air	Harford County	2.4%	35.3%	PSA
21136	Reisterstown	Baltimore County	2.1%	37.3%	PSA
21222	Dundalk	Baltimore County	1.9%	39.2%	PSA
21221	Essex	Baltimore County	1.7%	40.9%	PSA
21239	Baltimore	Baltimore City	1.7%	42.6%	PSA
21015	Bel Air	Harford County	1.7%	44.3%	SSA
21237	Rosedale	Baltimore County	1.7%	46.0%	SSA
21220	Middle River	Baltimore County	1.6%	47.6%	PSA
21206	Baltimore	Baltimore City	1.6%	49.1%	PSA
21050	Forest Hill	Harford County	1.5%	50.7%	SSA
21209	Baltimore	Baltimore City	1.5%	52.1%	SSA
21009	Abingdon	Harford County	1.4%	53.5%	SSA
21131	Phoenix	Baltimore County	1.3%	54.9%	PSA
21047	Fallston	Harford County	1.3%	56.1%	SSA
21128	Perry Hall	Baltimore County	1.2%	57.3%	SSA
21215	Baltimore	Baltimore City	1.1%	58.5%	SSA
21214	Baltimore	Baltimore City	1.1%	59.6%	PSA
21157	Westminster	Carroll County	1.1%	60.7%	SSA
21133	Randallstown	Baltimore County	1.0%	61.7%	SSA
21120	Parkton	Baltimore County	1.0%	62.8%	SSA
21040	Edgewood	Harford County	1.0%	63.7%	SSA
21085	Joppa	Harford County	1.0%	64.7%	SSA
21224	Baltimore	Baltimore City	0.9%	65.6%	SSA

- 19. Please provide the (non-cardiac) inpatient, cardiac inpatient, and outpatient surgical volumes for FY 2015 through FY 2017 as well as for FY2018 projected (and specify the basis of the projection).**

Applicant Response

The table below shows (non-cardiac) inpatient, cardiac inpatient, and outpatient surgical volumes for FY 2015 through FY 2017, as well as for FY2018 projected.

Following MHCC preferred methodology, a baseline of surgical volumes for FY 2017 was established by identifying surgical cases in the Maryland state data tapes. UM SJMC DDC case volumes with surgical DRG and CPT codes were identified and removed from the FY 2017 baseline. The same process was followed for the FY 2016 surgical volumes and FY 2015 outpatient surgical volumes. As the FY 2018 state data tapes are not yet available, FY 2018 volumes are projected in line with population growth and the assumption of use rates and market share remaining constant at the age cohort level. For FY 2018 cardiac inpatient volumes, a reduction of 20 cases was applied in order to account for the projected shift of cases to the hybrid operating room.

Because the inpatient data for FY 2015 does not include operating room rate center data, the basis for FY 2015 inpatient surgical volumes is the FY 2016 and FY 2017 weighted average percent variance of surgical cases identified in UM SJMC's internal OpTime reports to identified surgical volumes in the state data tapes.

Hybrid operating room projections begin in FY 2018, and are based on UM SJMC's internal budget, which includes a shift of 20 cases from the cardiac inpatient category.

Table 27
UM SJMC Surgical Volumes FY 2015 through FY 2018 Projected

	<u>FY2015 ⁽¹⁾</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
(Non-Cardiac) Inpatient	3,797	3,683	3,816	3,877 ⁽²⁾
Cardiac Inpatient	551	527	561	551 ⁽²⁾
Outpatient Surgical	4,941	4,640	4,940	4,989 ⁽²⁾
Hybrid OR Cases	-	-	-	30 ⁽³⁾

Notes:

(1) FY2015 Annualized based on 9 months of OpTime data

(2) FY2018 Non-Hybrid cases Projected based on population growth

(3) FY2018 Hybrid OR cases based on FY2018 UM SJMC budget

- 20. Please describe the physician recruitment plan that is expected to grow surgical volume. Identify the specialties, how the new recruits will impact the incumbent staffing levels (i.e., percentage increase by specialty), and how they will impact projected volume in each specialty.**

Applicant Response

As stated on page 55 of the CON application and shown in Table 14, UM SJMC projects an increase of 340 orthopedic/spine cases and 187 Thoracic cases attributed to physician recruitment.

The projected increase in orthopedic/spine cases is attributed to recruitment of two additional surgeons to replace retiring physicians. This increase represents an approximate 7.5% increase over FY 2017 volumes.

The projected increase in thoracic cases is attributed to the recent recruitment of a thoracic surgeon to replace several surgeons who have left the organization over the past several years. While this increase represents an approximate 218% increase over FY 2017 volumes, it does not represent an increase over historical volumes.

21. Please provide the assumptions and calculations used to develop:

- a. The surgical use rates on pp. 53-54;**
- b. The Digestive Disease Clinic Adjustment Cases used in Table 13 (p. 55);**
- c. The projected physician recruitment increase;**
- d. The projected shift of cases from inpatient to outpatient; and**
- e. ASC impact (pp. 55-56).**

Applicant Response

a. Use rates were calculated for 2017, by age cohort and held constant for all years moving forward through the projection. Use rates were calculated as service area discharges divided by service area population over 1,000.

b. FY 2017 surgical DDC cases were provided in an UM SJMC internal OpTime report. Inpatient and Outpatient DDC cases for FY 2018 and later were projected in line with the growth rates of inpatient and outpatient general surgery cases, respectively.

c. Please see response above to completeness question 20.

d. The projected shift of cases from inpatient to outpatient is attributed to the recent change in classification of orthopedic joint replacement procedures by CMS from “inpatient only” status. UM SJMC anticipates that less complex cases will be reclassified, and projects that approximately 25% of its inpatient cases will be reclassified.

e. UM SJMC anticipates a continued migration of cases to the ASC setting as technology, clinical practice, and third party payers seek lower cost of care options for their insureds. As presented in the CON application in Table 16 on page 56, ASC facilities in the UM

SJMC service area have experienced an approximate 4% average annual increase since CY 2012. UM SJMC projects this trend to continue and has conservatively estimated 558 cases, or approximately 10% of FY 2017 outpatient volumes to migrate over the next several years.

- 22. In Table 16 on p. 56, please clarify whether the headings are accurate for this table, especially the distinction between “Total Cases” versus “Total OR Cases.”**

Applicant Response

The field denoted as “Total Cases” in Table 16 represents the total number of ASC cases per year, while “Total OR Cases” represents the total number of cases in an OR setting at an ASC. As an example, in the 2015 public use data file, sourced from the MHCC website, these headers are listed as “2015cases” and “totalorcases.” See below for a screenshot of these headers with some sample data. This data can be found at the following link:

http://mhcc.maryland.gov/public_use_files/index.aspx.

Year	2015cases	totalorcases
CY2015	375	0
CY2015	226	0
CY2015	329	329
CY2015	1,389	0
CY2015	1,407	0
CY2015	1,941	991

- 23. Regarding General Operating Room Need (Table 20) and Cardiac Operating Room Need (Table 21),**

- a. Provide the calculations regarding projected need for the General and Cardiac operating rooms for FY 2023 thru FY 2024.**

Applicant Response

This question is likely due to an error in a header in Table 21 on page 59 of the CON application, which labeled the cardiac operating room projections as ending in FY 2023. A revised version of Table 21 is included below as Table 28 which reflects the same data with the appropriate end date of FY 2025, and includes the reduction of cardiac inpatient cases to be shifted to the hybrid operating room setting.

REVISED

Table 28

Cardiac Operating Room Need

	<u>FY2017 Baseline</u>	<u>Shift to Hybrid OR</u>	<u>FY2017 After Hybrid OR Shift</u>	<u>Pop. Growth</u>	<u>FY2025 Projected</u>
Surgeries					
Cardiac Inpatient	561	(39)	522	89	611
Ages 0-17	-				
Ages 18-64	242				
Ages 65-74	207				
Ages 75+	112				
Avg Surg Min per Case					
Cardiac Inpatient	314.99	314.99	314.99	314.99	314.99
Surgical Minutes					
Cardiac Inpatient	176,709	(12,381)	164,328	28,125	192,453
Turn Around Time					
Cardiac Inpatient	14,025	(983)	13,042	2,232	15,275
Total Minutes					
Cardiac Inpatient	190,734	(13,364)	177,370	30,357	207,727
Operating Rooms					
Cardiac Inpatient	1.7	(0.1)	1.6	0.3	1.8

Table 20, found on page 58 of the CON application, provides the General operating room projections through FY 2025.

- b. Please clarify whether the utilization for the one hybrid operating room for cardiac procedures is included with Table 21. If not, please include the utilization projections for this hybrid OR for FY 2023 thru FY 2025.**

[Applicant Response](#)

The utilization for the hybrid operating room for cardiac procedures was not included in Table 21 and is also not included in Table 28. Table 29 below shows projected cases and operating room minutes associated with the hybrid operating room for fiscal years 2018 through 2025. The hybrid operating room will primarily be used for performing transcatheter aortic valve replacement (TAVR) cases. UM SJMC began performing TAVRs in February of 2018, and these volumes are projected to grow with the service area population, starting with a budgeted baseline of 80 cases in fiscal year 2019. The operating room minutes projections are based on an average of 187 minutes per TAVR case.

Table 29
FY2018- FY2025 Hybrid Operating Room Utilization Projection

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>
Cases	30	80	82	83	85	87	88	90
Minutes	5,610	14,960	15,249	15,548	15,860	16,184	16,520	16,869

Impact

24. Please go into more detail and provide evidence to support your statement on p. 71 that “the proposed reduction in capacity is attributed to the changing demand for surgical services over the last several years....” What are these changes in demand observed by UM SJMC?

Applicant Response

The UM SJMC service area has experienced a decline in overall use rates during the period FY 2013 to FY 2017, with the anticipation that this decline will continue. For example, the surgical use rate decreased 8% for the period FY 2016 to FY 2017. Additionally, as presented in Table 16, ASC facilities in the UM SJMC service area have experienced a 4% average annual increase since CY 2012. Further, UMSJMC has been approached by large area primary care groups requesting increased use of ASCs as a lower cost of care surgical option for its patients. The key driver in UM SJMC’s projected reduction in demand is a reduction in Outpatient OR minutes, which is primarily driven by a shift of 558 cases and 60,000 minutes to the ASC setting as shown in Table 17. UM SJMC anticipates that as technology, clinical practice and payor constraints evolve, some percentage of outpatient procedures will continue to shift away from the regulated hospital setting to a lower cost outpatient setting.

Table of Exhibits

Exhibit	Description
21	Revised MHCC Tables
22	Project Phases - Gantt Chart
23	Alternative Project Budget
24	UM SJMC Fundraising Campaigns
25	Alternative Tables G and H demonstrating financial impact without rate funding

Table of Tables

Table	Description	
Table 22	UM SJMC Operating Room Inventory	3
Table 23	Negative Non-Operating Income Represented in Table G	14
Table 24	Pro-forma Charge per Minute <i>with</i> Partial Rate Approval	15
Table 25	Pro-forma Charge per Minute <i>without</i> Partial Rate Approval	15
Table 26	UM SJMC Primary Service Area Based on FY 2017 Surgical Discharges	16
Table 27	UM SJMC Surgical Volumes FY 2015 through FY 2018 Projected	17
Table 28	Cardiac Operating Room Need	20
Table 29	FY2018- FY2025 Hybrid Operating Room Utilization Projection	20

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated March 27, 2018 and its attachments are true and correct to the best of my knowledge, information, and belief.

4-5-18

Date

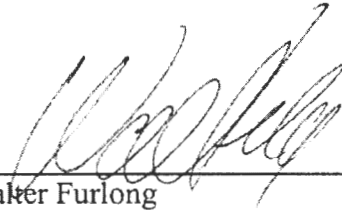


Craig Carmichael
Senior Vice President, Operations
University of Maryland St. Joseph
Medical Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated March 27, 2018 and its attachments are true and correct to the best of my knowledge, information, and belief.

4/9/18

Date



Walter Furlong
Vice President, Strategy/Business
Development
University of Maryland St. Joseph
Medical Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated March 27, 2018 and its attachments are true and correct to the best of my knowledge, information, and belief.

4/9/18.

Date




Paul Nicholson
Senior Vice President/Chief Financial
Officer
University of Maryland St. Joseph
Medical Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated March 27, 2018 and its attachments are true and correct to the best of my knowledge, information, and belief.

4 APR 2018

Date

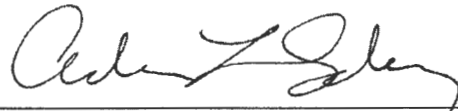


Matthew M. McGovern
Program Manager
University of Maryland St. Joseph
Medical Center

I hereby declare and affirm under the penalties of perjury that the facts stated in this Response to Additional Information Questions Dated March 27, 2018 and its attachments are true and correct to the best of my knowledge, information, and belief.

4/4/18

Date



Andrew L. Solberg
A.L.S. Healthcare Consultant Services

EXHIBIT 21

Name of Applicant: University of Maryland St. Joseph Medical Center

Date of Submission: 2-Feb-18

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

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

TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT

INSTRUCTION: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project 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. See additional instruction in the column to the right of the table.

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.

Hospital Service	Before the Project						After Project Completion					
	Location (Floor/Wing)*	Licensed Beds: 7/1/2018	Based on Physical Capacity			Physical Capacity	Hospital Service	Location (Floor/Wing)*	Based on Physical Capacity			Physical Capacity
			Room Count						Bed Count	Room Count		
Private	Semi-Private	Total Rooms	Private	Semi-Private	Total Rooms	Private	Semi-Private	Total Rooms	Private	Semi-Private	Total Rooms	Physical Capacity
ACUTE CARE						ACUTE CARE						
General Medical/Surgical*		183					General Medical/Surgical*					
Medical Surgical & Cancer	7 East		21	0	21	21	Medical Surgical & Cancer	7 East	21	0	21	21
Medical-Surgical & Dialysis	7 West		20	0	20	20	Medical-Surgical & Dialysis	7 West	20	0	20	20
Ortho & Medical Surgical	6 East		18	4	22	26	Ortho & Medical Surgical	6 East	18	4	22	26
Ortho & Medical Surgical	6 West		14	5	19	24	Ortho & Medical Surgical	6 West	14	5	19	24
Telemetry	5 East		3	19	22	41	Telemetry	5 East	3	19	22	41
Telemetry	5 West		2	20	22	42	Telemetry	5 West	2	20	22	42
Medical Surgical	4 East		2	17	19	36	Medical Surgical	4 East	2	17	19	36
Medical Surgical	4 West		2	17	19	36	Medical Surgical	4 West	2	17	19	36
Gynecologic	3 West		15	0	15	15	Gynecologic	3 West	15	0	15	15
Cardiac Telemetry	2 Central		30	0	30	30	Cardiac Telemetry	2 Central	30	0	30	30
SUBTOTAL Gen. Med/Surg*		183	127	82	209	291	SUBTOTAL Gen. Med/Surg*		127	82	209	291
ICU/CCU						ICU/CCU						
CSU	Ground		9	0	9	9	CSU	Ground	6	0	6	6
MSICU	4 North		22	0	22	22	MSICU	4 North	22	0	22	22
IMC	4 North		6	0	6	6	IMC	4 North	6	0	6	6
TOTAL MSGA		183	164	82	246	328	TOTAL MSGA		161	82	243	325
Obstetrics/Post Partum	3 East	19	20	0	20	20	Obstetrics/Post Partum	3 East	20	0	20	20
Labor and Delivery	3		9	0	9	9	Labor and Delivery	3	9	0	9	9
Pediatrics	2 North	4	0	5	5	13	Pediatrics	2 North	0	5	5	13
Psychiatric	1	18	1	9	10	19	Psychiatric	1	1	9	10	19
TOTAL ACUTE		224	194	96	290	389	TOTAL ACUTE		191	96	287	386
NON-ACUTE CARE						NON-ACUTE CARE						
Dedicated Observation**	Ground	16	16	0	16	16	Dedicated Observation**	Ground	16	0	16	16
Rehabilitation					0	0	Rehabilitation				0	0
Comprehensive Care					0	0	Comprehensive Care				0	0
Other (Specify/add rows as needed)					0	0	Other (Specify/add rows as needed)				0	0
TOTAL NON-ACUTE		16	16	0	16	16	TOTAL NON-ACUTE		16	0	16	16
HOSPITAL TOTAL		240	210	96	306	405	HOSPITAL TOTAL		207	96	303	402

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

** 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
SURGERY	43,741	158	33,380	14,123	47,661
SPD	5,615	158	10,809	0	10,967
PACU	7,669	0	5,588	0	5,588
PREP/RECOVERY	3,938	0	8,631	0	8,631
CARDIAC PROCEDURE	16,800	0	16,378	618	16,996
CSU	4,785	0	4,962	0	4,962
MECHANICAL ROOMS RENOVATED WITHIN THIS PROJECT	16,134	0	6,388	9,746	16,134
Public Space not included in Departments			1,038		1,038
					0
					0
					0
					0
					0
					0
					0
					0
Total	98,682	316	87,174	24,487	111,977

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
BASE BUILDING CHARACTERISTICS	Check if applicable	
Class of Construction (for renovations the class of the building being renovated)*	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Class A	<input type="checkbox"/>	<input type="checkbox"/>
Class B	<input type="checkbox"/>	<input type="checkbox"/>
Class C	<input type="checkbox"/>	<input type="checkbox"/>
Class D	<input type="checkbox"/>	<input type="checkbox"/>
Type of Construction/Renovation*		
Low	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>
Good	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Excellent	<input type="checkbox"/>	<input type="checkbox"/>
Number of Stories		

*As defined by Marshall Valuation Service

PROJECT SPACE	List Number of Feet, if applicable	
Total Square Footage	Total Square Feet	
Ground Floor	158	69,219
First Floor	158	11,567
Second Floor		3,299
Third Floor		3,089
Fourth Floor		
Average Square Feet		
Perimeter in Linear Feet	Linear Feet	
Ground Floor	50	2,980
First Floor	50	785
Second Floor		551
Third Floor		399
Fourth Floor		
Total Linear Feet		
Average Linear Feet		
Wall Height (floor to eaves)	Feet	
Ground Floor	12' - 6"	12' - 6"
First Floor	14' - 0"	14' - 0"
Second Floor		14' - 0"
Third Floor		12' - 0"
Fourth Floor		
Average Wall Height		
OTHER COMPONENTS		
Elevators	List Number	
Passenger	0	0
Freight	1	1
Sprinklers	Square Feet Covered	
Wet System	316	87,174
Dry System	0	0
Other	Describe Type	
Type of HVAC System for proposed project	Rooftop and Penthouse AHU's serving local VAV's with hot water reheat	
Type of Exterior Walls for proposed project	Poured-in-place concrete	

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

additional Table D for each structure.

	NEW CONSTRUCTION COSTS	RENOVATION COSTS
SITE PREPARATION COSTS		
Normal Site Preparation	\$0	
Utilities from Structure to Lot Line	\$0	
Subtotal included in Marshall Valuation Costs	\$0	
Site Demolition Costs		
Storm Drains		
Rough Grading		
Hillside Foundation		
Paving		
Exterior Signs		
Landscaping		
Walls		
Yard Lighting		
	\$0	
Subtotal On-Site excluded from Marshall Valuation Costs	\$0	
OFFSITE COSTS		
Roads		
Utilities		
Jurisdictional Hook-up Fees		
Other (Specify/add rows if needed)		
Subtotal Off-Site excluded from Marshall Valuation Costs	\$0	
TOTAL Estimated On-Site and Off-Site Costs <u>not</u> included in Marshall Valuation Costs	\$0	\$0
TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*	\$0	\$0

No Site Costs in this Project.
Does Not Apply.

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

TABLE E. PROJECT BUDGET

<i>INSTRUCTION</i> : 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.			
<i>NOTE</i> : 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.d as a use of funds and on line B.8 as a source of funds			
	Hospital Building	Other Structure	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building			\$0
(2) Fixed Equipment			\$0
(3) Site and Infrastructure			\$0
(4) Architect/Engineering Fees			\$0
(5) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL	\$0	\$0	\$0
b. Renovations			
(1) Building	\$31,532,581		\$31,532,581
(2) Fixed Equipment (not included in construction)	In Building		\$0
(3) Architect/Engineering Fees	\$5,793,776		\$5,793,776
(4) Permits (Building, Utilities, Etc.)	\$50,000		\$50,000
SUBTOTAL	\$37,376,357	\$0	\$37,376,357
c. Other Capital Costs			
(1) Movable Equipment	\$11,630,000		\$11,630,000
(2) Contingency Allowance	\$3,679,709		\$3,679,709
(3) Gross interest during construction period			\$0
(4) Other (<i>Project Management, Enabling Relocations</i>)	\$2,050,000		\$2,050,000
SUBTOTAL	\$17,359,709	\$0	\$17,359,709
TOTAL CURRENT CAPITAL COSTS	\$54,736,066	\$0	\$54,736,066
d. Land Purchase			
e. Inflation Allowance			
	\$2,878,934		\$2,878,934
TOTAL CAPITAL COSTS	\$57,615,000	\$0	\$57,615,000
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			\$0
b. Bond Discount			\$0
c. CON Application Assistance			
c1. Legal Fees	\$150,000		\$150,000
c2. Other (<i>Specify/add rows if needed</i>)	\$736,000		\$736,000
d. Non-CON Consulting Fees			
d1. Legal Fees			\$0
d2. Other (<i>Specify/add rows if needed</i>)	\$1,499,000		\$1,499,000
e. Debt Service Reserve Fund			
f. Other (<i>Specify/add rows if needed</i>)			
			\$0
SUBTOTAL	\$2,385,000	\$0	\$2,385,000
3. Working Capital Startup Costs			
			\$0
TOTAL USES OF FUNDS	\$60,000,000	\$0	\$60,000,000
B. Sources of Funds			
1. Cash	\$30,308,000		\$30,308,000
2. Philanthropy (to date and expected)	\$20,000,000		\$20,000,000
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage			\$0
6. Working Capital Loans			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other (<i>Escrow Funds for OR Renovations</i>)	\$9,692,000		\$9,692,000
TOTAL SOURCES OF FUNDS	\$60,000,000	\$0	\$60,000,000

TABLE F. STATISTICAL PROJECTIONS - ENTIRE FACILITY

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

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
4. NUMBER OF LICENSED BEDS										
a. General Medical/Surgical*	166	166	166	166	166	166	166	166	166	166
b. ICU/CCU	38	38	37	37	37	34	34	34	34	34
Total MSGA	204	204	203	203	203	200	200	200	200	200
c. Pediatric	4	4	4	4	4	4	4	4	4	4
d. Obstetric	20	20	20	20	20	20	20	20	20	20
e. Acute Psychiatric	19	19	19	19	19	19	19	19	19	19
Total Acute	247	247	246	246	246	243	243	243	243	243
f. Rehabilitation										
g. Comprehensive Care										
h. Other (Specify/add rows of needed)										
TOTAL LICENSED BEDS	247	247	246	246	246	243	243	243	243	243
5. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.										
a. General Medical/Surgical*	69.1%	65.7%	65.4%	62.2%	63.2%	64.2%	64.7%	65.1%	65.6%	66.1%
b. ICU/CCU	43.3%	41.1%	42.8%	40.7%	41.4%	45.8%	46.1%	46.4%	46.7%	47.1%
Total MSGA	64.3%	61.1%	61.3%	58.3%	59.2%	61.1%	61.5%	62.0%	62.4%	62.9%
c. Pediatric	30.5%	33.8%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%
d. Obstetric	88.1%	76.1%	80.4%	80.4%	80.4%	80.4%	80.4%	80.4%	80.4%	80.4%
e. Acute Psychiatric	87.0%	84.9%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%
Total Acute	67.4%	63.7%	63.9%	61.4%	62.2%	63.8%	64.1%	64.5%	64.8%	65.2%
f. Rehabilitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
g. Comprehensive Care	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
h. Other (Specify/add rows of needed)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL OCCUPANCY %	67.4%	63.7%	63.9%	61.4%	62.2%	63.8%	64.1%	64.5%	64.8%	65.2%
6. OUTPATIENT VISITS										
a. Emergency Department	35,697	35,361	35,383	35,383	35,383	35,383	35,383	35,383	35,383	35,383
b. Same-day Surgery	4,955	4,940	5,278	5,527	5,642	5,759	5,818	5,879	5,943	6,009
c. Laboratory										
d. Imaging										
e. Other (Specify/add rows of needed)										
TOTAL OUTPATIENT VISITS	40,652	40,301	40,661	40,910	41,025	41,142	41,201	41,262	41,326	41,392
7. OBSERVATIONS**										
a. Number of Patients	5,638	6,573	6,102	6,102	6,102	6,102	6,102	6,102	6,102	6,102
b. Hours	109,479	103,441	96,029	96,029	96,029	96,029	96,029	96,029	96,029	96,029

* 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 - ENTIRE FACILITY - UPDATED

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

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Indicate CY or FY										
1. REVENUE										
a. Inpatient Services	\$ 243,145	\$ 243,412	\$ 249,556	\$ 245,592	\$ 251,262	\$ 251,300	\$ 250,228	\$ 252,218	\$ 252,250	\$ 252,282
b. Outpatient Services	\$ 311,849	\$ 322,493	\$ 339,390	\$ 340,447	\$ 339,662	\$ 339,669	\$ 339,486	\$ 340,818	\$ 340,825	\$ 340,831
Gross Patient Service Revenues	\$ 554,994	\$ 565,905	\$ 588,946	\$ 586,038	\$ 590,924	\$ 590,970	\$ 589,714	\$ 593,036	\$ 593,074	\$ 593,113
c. Allowance For Bad Debt	\$ 21,673	\$ 13,646	\$ 14,328	\$ 14,233	\$ 14,393	\$ 14,394	\$ 14,353	\$ 14,440	\$ 14,441	\$ 14,443
d. Contractual Allowance	\$ 120,243	\$ 125,132	\$ 136,702	\$ 133,632	\$ 134,057	\$ 134,061	\$ 133,952	\$ 134,240	\$ 134,243	\$ 134,246
e. Charity Care	\$ 3,803	\$ 6,458	\$ 5,702	\$ 8,474	\$ 8,543	\$ 8,544	\$ 8,528	\$ 8,592	\$ 8,593	\$ 8,593
Net Patient Services Revenue	\$ 409,275	\$ 420,669	\$ 432,214	\$ 429,699	\$ 433,930	\$ 433,970	\$ 432,881	\$ 435,764	\$ 435,797	\$ 435,831
f. Other Operating Revenues (Specify/add rows if needed)	\$ 6,839	\$ 4,750	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106
NET OPERATING REVENUE	\$ 416,114	\$ 425,419	\$ 437,320	\$ 434,805	\$ 439,036	\$ 439,076	\$ 437,987	\$ 440,870	\$ 440,903	\$ 440,937
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 195,905	\$ 198,026	\$ 203,855	\$ 198,068	\$ 197,865	\$ 198,104	\$ 198,404	\$ 200,015	\$ 200,041	\$ 202,159
b. Contractual Services	\$ 95,593	\$ 100,076	\$ 104,216	\$ 101,381	\$ 100,893	\$ 100,323	\$ 99,979	\$ 100,285	\$ 100,116	\$ 100,985
c. Interest on Current Debt	\$ 12,982	\$ 12,841	\$ 12,055	\$ 13,543	\$ 13,153	\$ 12,838	\$ 12,508	\$ 12,186	\$ 11,873	\$ 11,568
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Current Depreciation	\$ 17,598	\$ 19,716	\$ 21,539	\$ 21,920	\$ 22,783	\$ 23,031	\$ 21,841	\$ 20,420	\$ 19,362	\$ 15,656
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 3,000	\$ 3,000
g. Current Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
i. Supplies	\$ 81,820	\$ 82,507	\$ 84,337	\$ 84,464	\$ 84,450	\$ 84,862	\$ 85,339	\$ 86,385	\$ 86,433	\$ 87,422
j. Other Expenses (Specify/add rows if needed)	\$ 8,800	\$ 10,820	\$ 6,931	\$ 6,734	\$ 6,722	\$ 6,747	\$ 6,777	\$ 6,851	\$ 6,850	\$ 6,920
TOTAL OPERATING EXPENSES	\$ 412,698	\$ 423,986	\$ 432,933	\$ 426,109	\$ 425,865	\$ 425,904	\$ 424,847	\$ 427,644	\$ 427,676	\$ 427,709
3. INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
a. Income From Operation	\$ 3,416	\$ 1,433	\$ 4,387	\$ 8,696	\$ 13,171	\$ 13,172	\$ 13,140	\$ 13,226	\$ 13,227	\$ 13,228
b. Non-Operating Income	\$ (1,839)	\$ (585)	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
NET INCOME (LOSS)	\$ 1,577	\$ 848	\$ 5,182	\$ 9,491	\$ 13,966	\$ 13,967	\$ 13,935	\$ 14,021	\$ 14,022	\$ 14,023

University of Maryland Saint Joseph Medical Center
Key Financial Projection Assumptions - Uninflated

1) Basis of Projection	Based on UMSJMC's FY2018 budget.
2) Volumes	
- Inpatient Admissions	
> Surgical Volume	Reflects 0.46% annual population increase throughout the projection period. Also reflects a cumulative increase of 340 inpatient surgical cases due to physician recruitment, a shift of 700 cases from inpatient to outpatient setting within the hospital and a loss of 100 cases to freestanding Ambulatory Surgery Centers. These and other volume related assumptions are presented in the General Standard 10.24.11.05B(2) section of this application.
> All Other Volume	Non-surgical inpatient volumes are projected to remain constant throughout the projection period.
- Outpatient Visits, including Observation	
> Surgical Volume	Reflects 0.46% annual population increase throughout the projection period. Also reflects a cumulative increase of 187 outpatient surgical cases due to physician recruitment, a shift of 700 cases from the inpatient setting and a loss of 558 cases to freestanding Ambulatory Surgery Centers. These and other volume related assumptions are presented in the General Standard 10.24.11.05B(2) section of this application.
> All Other Volume	Non-surgical outpatient volumes are projected to remain constant throughout the projection period.
3) Patient Revenue	
- Regulated Gross Charges	
> Annual Update Factor	0.0% annual update factor.
> Population Adjustment	0.0% annual demographic adjustment.
> Shared Savings Adjustment	0.0% throughout the projection period
> Other Rate Adjustments	0.0% throughout the projection period
> Market Share Adjustment	40% variability with projected change in surgical volumes. Revenue is assumed to be recognized immediately / in the year of volume growth/decline.
> Case Mix	No governor on changes in case mix.
- Unregulated Gross Charges	0.0% annual increase in FY2019-FY2025.
- Regulated Revenue Deductions	
> Contractual Allowances	Remains constant at FY2018 budgeted 5.4% of gross revenues.
> Assessments	Remains constant at FY2018 budgeted 3.3% of gross revenues.
> Charity Care	Remains constant at FY2018 budgeted 1.3% of gross revenues.
> Allowance for Bad Debt	Remains constant at FY2018 budgeted 2.6% of gross revenues.
> UCC Pool Payment	Remains constant at FY2018 budgeted 0.7% of gross revenues.
- Unregulated Revenue Deductions	
> Contractual Allowances	Remains constant at FY2018 budgeted 58.4% of gross revenues.
> Charity Care	Remains constant at FY2018 budgeted 0.2% of gross revenues.
> Allowance for Bad Debt	Remains constant at FY2018 budgeted 2.0% of gross revenues.
4) Other Operating Revenue	0.0% annual inflation throughout the projection period.
5) Non-Operating Revenue	Held constant throughout the projection period.

University of Maryland Saint Joseph Medical Center
Key Financial Projection Assumptions - Uninflated

6) Expenses	
- Operating Expense Drivers	
> Salaries	Driven by changes in surgical cases and a reduction of 20.7 FTE in FY2019 - FY2021 related to efficiencies gained from the OR renovation project.
> Benefits	Remains constant at FY2018 budgeted 20.7% of salaries.
> Other Operating Expenses	Driven by changes in surgical cases.
- Inflation	
> Salaries	0.0% throughout projection period.
> Physician Services	0.0% throughout projection period.
> Supplies & Drugs	0.0% throughout projection period.
> Purchased Services	0.0% throughout projection period.
> Other Operating Expenses	0.0% throughout projection period.
- Expense Variability	55.64% throughout projection period.
- Performance Improvements	\$8.8M performance improvement in FY2019 (2.1% of non-capital operating expenses) growing to a cumulative \$15.3M by FY2025 (3.7% of non-capital operating expenses). The performance improvements will be achieved in the areas of revenue cycle, quality, utilization, labor, and supply chain.
- Interest Expense	Reflects interest expense on existing debt of approximately \$1.6B. No additional debt and incremental interest expense are assumed to be incurred during the projection period.
- Depreciation and Amortization	
> OR Renovation Project	Reflects incremental annual depreciation of \$3M for the OR renovation project with \$40.4M of building related assets depreciated over a useful life of 40 years, and \$20.2M of equipment depreciated over a useful life of 10 years.
> Other Capital Expenditures	Reflects depreciation of capital projects with useful lives of 30-40 years and IT and equipment with lives of 5-7 years.
7) Capital Expenditures	
- OR Renovation Project	Total of \$60.0M with \$2.7M in FY2017, \$1.9M in FY2018, \$5.0M in FY2019, \$11.1M in FY2020, \$14.6M in FY2021, \$13.3M in FY2022 and \$11.3M in FY2023.
- Strategic and Other Capital	\$39.1M in FY2018, \$24.2M in FY2019, \$13.7M in FY2020, \$3.6M in FY2021 and annual \$3.6M in FY2022-FY2025.
- Routine Capital	\$14.8M in FY2018, \$13.0M in FY2019, \$8.7M in FY2020, \$7.7M in FY2021 and annual \$5.5M in FY2022-FY2025.
8) Debt	
- OR Renovation Project	No debt will be issued to finance the OR renovation project
- Other Debt	Existing debt of approximately \$1.6B will be amortized over the life of loans.

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY - UPDATED

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

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Indicate CY or FY										
1. REVENUE										
a. Inpatient Services	\$ 243,145	\$ 243,412	\$ 249,556	\$ 251,464	\$ 261,938	\$ 267,483	\$ 271,924	\$ 279,641	\$ 285,568	\$ 291,628
b. Outpatient Services	311,849	322,493	339,390	348,116	355,118	363,120	371,097	380,794	389,385	398,176
Gross Patient Service Revenues	\$ 554,994	\$ 565,905	\$ 588,946	\$ 599,580	\$ 617,056	\$ 630,604	\$ 643,021	\$ 660,434	\$ 674,953	\$ 689,804
c. Allowance For Bad Debt	21,673	13,646	14,328	14,566	15,025	15,353	15,641	16,069	16,420	16,779
d. Contractual Allowance	120,243	125,132	136,702	136,795	140,347	143,606	146,817	150,512	154,009	157,589
e. Charity Care	3,803	6,458	5,702	8,664	8,908	9,097	9,272	9,532	9,735	9,942
Net Patient Services Revenue	\$ 409,275	\$ 420,669	\$ 432,214	\$ 439,555	\$ 452,777	\$ 462,548	\$ 471,291	\$ 484,321	\$ 494,789	\$ 505,494
f. Other Operating Revenues (Specify/add rows if needed)	6,839	4,750	5,106	5,229	5,354	5,483	5,614	5,749	5,887	6,028
NET OPERATING REVENUE	\$ 416,114	\$ 425,419	\$ 437,320	\$ 444,784	\$ 458,131	\$ 468,030	\$ 476,905	\$ 490,070	\$ 500,676	\$ 511,522
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 195,905	\$ 198,026	\$ 203,855	\$ 203,166	\$ 207,508	\$ 212,724	\$ 218,060	\$ 224,879	\$ 230,258	\$ 237,865
b. Contractual Services	95,593	100,076	104,216	103,814	105,461	107,186	109,138	111,785	114,060	117,409
c. Interest on Current Debt	12,982	12,841	12,055	13,543	13,153	12,838	12,508	12,186	11,873	11,568
d. Interest on Project Debt	-	-	-	-	-	-	-	-	-	-
e. Current Depreciation	17,598	19,716	21,539	21,920	22,783	23,031	21,841	20,420	19,362	15,656
f. Project Depreciation	-	-	-	-	-	-	-	1,500	3,000	3,000
g. Current Amortization	-	-	-	-	-	-	-	-	-	-
h. Project Amortization	-	-	-	-	-	-	-	-	-	-
i. Supplies	81,820	82,507	84,337	86,592	88,541	91,131	93,827	97,184	99,573	102,964
j. Other Expenses (Specify/add rows if needed)	8,800	10,820	6,931	6,854	6,941	7,080	7,223	7,413	7,530	7,716
TOTAL OPERATING EXPENSES	\$ 412,698	\$ 423,986	\$ 432,933	\$ 435,888	\$ 444,387	\$ 453,990	\$ 462,598	\$ 475,368	\$ 485,656	\$ 496,177
3. INCOME										
a. Income From Operation	\$ 3,416	\$ 1,433	\$ 4,387	\$ 8,896	\$ 13,744	\$ 14,041	\$ 14,307	\$ 14,702	\$ 15,020	\$ 15,346
b. Non-Operating Income	(1,839)	(585)	795	795	795	795	795	795	795	795
NET INCOME (LOSS)	\$ 1,577	\$ 848	\$ 5,182	\$ 9,691	\$ 14,539	\$ 14,836	\$ 15,102	\$ 15,497	\$ 15,815	\$ 16,141

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY - UPDATED

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

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare	46.1%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%
2) Medicaid	10.7%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
3) Blue Cross	12.3%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
4) Commercial Insurance	27.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
5) Self-pay	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
6) Other	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
b. Percent of Equivalent Inpatient Days										
1) Medicare	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
2) Medicaid	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%
3) Blue Cross	11.3%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
4) Commercial Insurance	27.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%
5) Self-pay	2.1%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
6) Other	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

CHECK

P&L Net Income	1,577	848	5,182	9,691	14,539	14,836	15,102	15,497	15,815	16,141
Difference	-	-	-	-	(0)	(0)	-	0	0	(0)

University of Maryland Saint Joseph Medical Center
Key Financial Projection Assumptions - Inflated

1) Basis of Projection	Based on UMSJMC's FY2018 budget.
2) Volumes	
- Inpatient Admissions	
> Surgical Volume	Reflects 0.46% annual population increase throughout the projection period. Also reflects a cumulative increase of 340 inpatient surgical cases due to physician recruitment, a shift of 700 cases from inpatient to outpatient setting within the hospital and a loss of 100 cases to freestanding Ambulatory Surgery Centers. These and other volume related assumptions are presented in the General Standard 10.24.11.05B(2) section of this application.
> All Other Volume	Non-surgical inpatient volumes are projected to remain constant throughout the projection period.
- Outpatient Visits, including Observation	
> Surgical Volume	Reflects 0.46% annual population increase throughout the projection period. Also reflects a cumulative increase of 187 outpatient surgical cases due to physician recruitment, a shift of 700 cases from the inpatient setting and a loss of 558 cases to freestanding Ambulatory Surgery Centers. These and other volume related assumptions are presented in the General Standard 10.24.11.05B(2) section of this application.
> All Other Volume	Non-surgical outpatient volumes are projected to remain constant throughout the projection period.
3) Patient Revenue	
- Regulated Gross Charges	
> Annual Update Factor	2.0% annual update factor.
> Population Adjustment	0.40% annual demographic adjustment.
> Shared Savings Adjustment	-0.26% in FY2018, -0.27% in FY2019, -0.92% in FY2020, -0.88% in FY2021, and -0.84% in FY2022-FY2025.
> Other Rate Adjustments	Reflects projected rate impact for items such as quality programs. -0.84% in FY2018, 0.07% in FY2019, 0.72% in FY2020, 0.68% in FY2021 and 0.64% in FY2022-FY2025.
> Market Share Adjustment	40% variability with projected change in surgical volumes. Revenue is assumed to be recognized immediately / in the year of volume growth/decline.
> Case Mix	No governor on changes in case mix.
- Unregulated Gross Charges	2.4% annual increase in FY2019-FY2025.
- Regulated Revenue Deductions	
> Contractual Allowances	Remains constant at FY2018 budgeted 5.4% of gross revenues.
> Assessments	Remains constant at FY2018 budgeted 3.3% of gross revenues.
> Charity Care	Remains constant at FY2018 budgeted 1.3% of gross revenues.
> Allowance for Bad Debt	Remains constant at FY2018 budgeted 2.6% of gross revenues.
> UCC Pool Payment	Remains constant at FY2018 budgeted 0.7% of gross revenues.
- Unregulated Revenue Deductions	
> Contractual Allowances	Remains constant at FY2018 budgeted 58.4% of gross revenues.
> Charity Care	Remains constant at FY2018 budgeted 0.2% of gross revenues.
> Allowance for Bad Debt	Remains constant at FY2018 budgeted 2.0% of gross revenues.
4) Other Operating Revenue	2.4% annual inflation throughout the projection period.
5) Non-Operating Revenue	Held constant throughout the projection period.

University of Maryland Saint Joseph Medical Center
Key Financial Projection Assumptions - Inflated

6) Expenses	
- Operating Expense Drivers	
> Salaries	Driven by changes in surgical cases and a reduction of 20.7 FTE in FY2019 - FY2021 related to efficiencies gained from the OR renovation project.
> Benefits	Remains constant at FY2018 budgeted 20.7% of salaries.
> Other Operating Expenses	Driven by changes in surgical cases.
- Inflation	
> Salaries	2.75% throughout projection period.
> Physician Services	3.00% throughout projection period.
> Supplies & Drugs	2.82% throughout projection period.
> Purchased Services	2.60% throughout projection period.
> Other Operating Expenses	2.00% throughout projection period.
- Expense Variability	55.64% throughout projection period.
- Performance Improvements	\$8.8M performance improvement in FY2019 (2.1% of non-capital operating expenses) growing to a cumulative \$15.3M by FY2025 (3.7% of non-capital operating expenses). The performance improvements will be achieved in the areas of revenue cycle, quality, utilization, labor, and supply chain.
- Interest Expense	Reflects interest expense on existing debt of approximately \$1.6B. No additional debt and incremental interest expense are assumed to be incurred during the projection period.
- Depreciation and Amortization	
> OR Renovation Project	Reflects incremental annual depreciation of \$3M for the OR renovation project with \$40.4M of building related assets depreciated over a useful life of 40 years, and \$20.2M of equipment depreciated over a useful life of 10 years.
> Other Capital Expenditures	Reflects depreciation of capital projects with useful lives of 30-40 years and IT and equipment with lives of 5-7 years.
7) Capital Expenditures	
- OR Renovation Project	Total of \$60.0M with \$2.7M in FY2017, \$1.9M in FY2018, \$5.0M in FY2019, \$11.1M in FY2020, \$14.6M in FY2021, \$13.3M in FY2022 and \$11.3M in FY2023.
- Strategic and Other Capital	\$39.1M in FY2018, \$24.2M in FY2019, \$13.7M in FY2020, \$3.6M in FY2021 and annual \$3.6M in FY2022-FY2025.
- Routine Capital	\$14.8M in FY2018, \$13.0M in FY2019, \$8.7M in FY2020, \$7.7M in FY2021 and annual \$5.5M in FY2022-FY2025.
8) Debt	
- OR Renovation Project	No debt will be issued to finance the OR renovation project
- Other Debt	Existing debt of approximately \$1.6B will be amortized over the life of loans.

TABLE L1. WORKFORCE INFORMATION - UMSJMC

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 equal one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables G and J. See additional instruction in the column to the right of the table.

Job Category	CURRENT ENTIRE FACILITY - FY2018			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) - FY2025		
	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 J)	FTEs	Average Salary per FTE	Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table G)
Administration (List general categories, add rows if needed)												
SJHospital: NURSE STAFFING OFFICE	4.9	\$ 42,766	\$ 208,272	-	\$ -	\$ -	(0.0)	\$ 42,766	\$ (1,704)	4.8	\$ 42,766	\$ 206,567
SJHospital: CLINICAL EDUCATION	12.9	88,380	1,140,101	-	-	-	(0.1)	88,380	\$ (4,514)	12.8	88,380	1,135,587
SJHospital: NURSING ADMIN	9.9	103,706	1,029,798	-	-	-	(0.0)	103,706	\$ (3,475)	9.9	103,706	1,026,323
SJHospital: PROFESSIONAL ADVANC MODEL	2.1	202,963	424,524	-	-	-	(0.0)	202,963	\$ (732)	2.1	202,963	423,792
SJHospital: PATIENT EXPERIENCE	1.0	68,995	68,995	-	-	-	(0.0)	68,995	\$ (350)	1.0	68,995	68,645
SJHospital: ANCILLARY PHYS SVC PSYCH	3.8	82,040	311,751	-	-	-	(0.0)	82,040	\$ (1,330)	3.8	82,040	310,422
SJHospital: REHAB SVCS ADMIN	3.0	59,958	179,873	-	-	-	(0.0)	59,958	\$ (1,050)	3.0	59,958	178,823
SJHospital: HOUSE STAFF ADMIN	1.0	48,677	48,677	-	-	-	(0.0)	48,677	\$ (350)	1.0	48,677	48,327
SJHospital: CLINICAL ENGINEERING	11.5	70,512	810,883	-	-	-	(0.1)	70,512	\$ (4,025)	11.4	70,512	806,858
SJHospital: SUPPLY CHAIN	20.9	49,963	1,044,224	-	-	-	(0.1)	49,963	\$ (7,314)	20.8	49,963	1,036,910
SJHospital: HEALTH INFO MGMT	43.2	54,204	2,339,969	-	-	-	(0.3)	54,204	\$ (15,108)	42.9	54,204	2,324,861
SJHospital: CORPORATE COMPLIANCE	1.0	132,441	132,441	-	-	-	(0.0)	132,441	\$ (350)	1.0	132,441	132,091
SJHospital: ADMITTING/REGISTRATION	27.8	32,049	891,616	-	-	-	(0.3)	32,049	\$ (9,736)	27.5	32,049	881,880
SJHospital: PERFORMANCE MGMT	7.1	95,865	680,638	-	-	-	(0.0)	95,865	\$ (2,485)	7.1	95,865	678,153
SJHospital: PEER REVIEW	2.9	91,411	265,091	-	-	-	(0.0)	91,411	\$ (1,015)	2.9	91,411	264,076
SJHospital: CASE MGMT	40.2	78,484	3,155,073	-	-	-	(0.2)	78,484	\$ (14,068)	40.0	78,484	3,141,005
SJHospital: PATIENT SITTERS	-	-	167,299	-	-	-	-	-	\$ -	-	-	167,299
SJHospital: CREDIT AND COLLECTIONS	16.1	40,819	658,713	-	-	-	(0.1)	40,819	\$ (5,647)	16.0	40,819	653,066
SJHospital: SWITCHBOARD OPERATIONS	9.8	39,511	387,698	-	-	-	(0.1)	39,511	\$ (3,434)	9.7	39,511	384,264
SJHospital: EMPLOYEE HEALTH SVCS	3.0	80,416	241,247	-	-	-	(0.0)	80,416	\$ (1,050)	3.0	80,416	240,197
SJHospital: LIGHT DUTY	0.5	63,298	31,649	-	-	-	(0.0)	63,298	\$ (175)	0.5	63,298	31,474
SJHospital: VOLUNTEER SVCS	1.0	53,846	53,846	-	-	-	(0.0)	53,846	\$ (350)	1.0	53,846	53,496
SJHospital: EDUCATIONAL SVCS CLINICAL	0.3	77,548	27,087	-	-	-	(0.0)	77,548	\$ (122)	0.3	77,548	26,965
SJHospital: EDUCATIONL SVCS FAMILY ED	2.1	81,836	171,855	-	-	-	(0.0)	81,836	\$ (735)	2.1	81,836	171,120
SJHospital: ADMIN	8.1	471,844	3,838,451	-	-	-	(0.0)	471,844	\$ (2,847)	8.1	471,844	3,835,604
SJHospital: ADMIN ORTHO INSTITUTE	1.2	87,680	102,585	-	-	-	(0.0)	87,680	\$ (409)	1.2	87,680	102,176
SJHospital: RISK MGMT	2.0	85,938	171,876	-	-	-	(0.0)	85,938	\$ (700)	2.0	85,938	171,176
SJHospital: STRATEGIC PLANNING	1.0	95,180	95,180	-	-	-	(0.0)	95,180	\$ (350)	1.0	95,180	94,830
SJHospital: CHAPLAINCY	8.0	52,430	420,748	-	-	-	(0.1)	52,430	\$ (2,808)	8.0	52,430	417,940
SJHospital: COMM HEALTH PRG ST CLARE	7.5	61,514	461,356	-	-	-	(0.0)	61,514	\$ (2,625)	7.5	61,514	458,731
SJHospital: LEAN PROCESS IMPROVEMENT	6.0	93,211	561,823	-	-	-	(0.0)	93,211	\$ (2,109)	6.0	93,211	559,714
SJHospital: CANCER CARE PROGRAM	16.8	79,314	1,332,474	-	-	-	(0.1)	79,314	\$ (5,879)	16.7	79,314	1,326,595
SJHospital: HEALING THERAPIES	0.1	75,958	10,999	-	-	-	(0.0)	75,958	\$ (51)	0.1	75,958	10,948
SJHospital: RESEARCH OFFICE CLINICAL	2.5	77,664	193,840	-	-	-	(0.0)	77,664	\$ (873)	2.5	77,664	192,967
SJHospital: MEDICAL STAFF ADMIN	4.5	76,145	342,655	-	-	-	(0.0)	76,145	\$ (1,575)	4.5	76,145	341,080
SJHospital: PROPERTY MGMT	1.0	72,434	72,434	-	-	-	(0.0)	72,434	\$ (350)	1.0	72,434	72,084
SJFoundation	8.0	210,866	830,644	-	-	-	-	-	-	8.0	210,866	830,644
Other	-	-	828,716	-	-	-	-	-	-	-	-	828,716
Total Administration	292.9	\$ 81,041	\$ 23,735,100		\$ -	\$ -	(1.7)	\$ 58,992	\$ (99,696)	291.2	\$ 81,169	\$ 23,635,404
Direct Care Staff (List general categories, add rows if needed)												
SJO: Towson Ortho Associates	34.2	\$ 413,704	\$ 14,135,077	-	\$ -	\$ -	-	-	-	34.2	\$ 413,704	\$ 14,135,077
Towson Sports Medicine	42.7	278,314	2,391,085	-	-	-	-	-	-	42.7	278,314	2,391,085
SJHospital: 2 CENTRAL	60.3	59,692	3,598,215	-	-	-	(0.4)	59,692	(21,096)	59.9	59,692	3,577,119
SJHospital: MED/SURG 5th Floor	79.2	61,327	4,859,579	-	-	-	(0.5)	61,327	61,327,349,578	78.8	61,327	4,831,849
SJHospital: MED/SURG 6th Floor	49.3	65,773	3,241,312	-	-	-	(0.3)	65,773	(17,246)	49.0	65,773	3,224,066
SJHospital: MED/SURG 7th Floor	67.9	59,925	4,065,927	-	-	-	(0.4)	59,925	(23,745)	67.5	59,925	4,042,182
SJHospital: CARDIAC TELEMETRY MONITOR	9.2	42,088	387,211	-	-	-	(0.1)	42,088	(3,220)	9.1	42,088	383,992
SJHospital: PEDIATRIC I/P UNIT	14.5	86,089	1,249,146	-	-	-	(0.1)	86,089	(5,078)	14.5	86,089	1,244,068
SJHospital: NURSING SUPPORT SUPERVISR	5.0	116,876	579,706	-	-	-	(0.0)	116,876	(1,736)	4.9	116,876	577,971
SJHospital: NURSING SUPPORT FLOAT	2.8	143,538	404,784	-	-	-	(0.0)	143,538	(987)	2.8	143,538	403,797
SJHospital: IV THERAPY	12.1	91,494	1,109,817	-	-	-	(0.0)	91,494	(4,245)	12.1	91,494	1,105,572
SJHospital: CARDIAC ICU	13.0	99,415	1,295,380	-	-	-	(0.0)	99,415	(4,560)	13.0	99,415	1,290,820
SJHospital: MED/SURG ICU	59.2	70,283	4,159,375	-	-	-	(0.3)	70,283	(20,711)	58.9	70,283	4,138,664
SJHospital: NEONATAL ICU	23.2	86,130	2,001,695	-	-	-	(0.1)	86,130	(8,133)	23.1	86,130	1,993,562
SJHospital: LDR	51.7	78,160	4,042,458	-	-	-	(0.2)	78,160	(18,100)	51.5	78,160	4,024,358
SJHospital: OBSTETRICS	40.2	71,265	2,862,061	-	-	-	(0.2)	71,265	(14,055)	40.0	71,265	2,848,006
SJHospital: OBSERVATION UNIT	20.3	71,300	1,443,819	-	-	-	(0.1)	71,300	(7,087)	20.2	71,300	1,436,732
SJHospital: EMERGENCY ROOM	79.4	63,429	5,036,233	-	-	-	(0.4)	63,429	(27,787)	79.0	63,429	5,008,446
SJHospital: PSYCHIATRIC I/P	29.5	70,339	2,078,159	-	-	-	(0.1)	70,339	(10,340)	29.4	70,339	2,067,819
SJHospital: PHYSICAL THERAPY	15.6	86,410	1,347,991	-	-	-	(0.1)	86,410	(5,459)	15.5	86,410	1,342,531
SJHospital: OCCUPATIONAL THERAPY	17.3	79,117	1,372,288	-	-	-	(0.1)	79,117	(6,707)	17.3	79,117	1,366,218
SJHospital: SPEECH LANGUAGE PATHOLOGY	2.6	87,213	230,241	-	-	-	(0.0)	87,213	(924)	2.6	87,213	229,318
SJHospital: OPERATING ROOM	70.0	76,788	5,377,439	(9.0)	79,786	(720,243)	(0.3)	76,788	(24,508)	60.7	76,342	4,632,689

Job Category	CURRENT ENTIRE FACILITY - FY2018			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) - FY2025		
	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 J)	FTEs	Average Salary per FTE	Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table G)
SJHospital: OPERATING ROOM CARDIAC	12.3	101,022	1,240,544	-	-	-	(0.0)	101,022	(4,298)	12.2	101,022	1,236,247
SJHospital: SURGICAL PRE ADMISSION	7.8	79,125	616,381	-	-	-	(0.0)	79,125	(2,726)	7.8	79,125	613,655
SJHospital: ANESTHESIA	9.0	64,701	582,306	(2.0)	53,569	(108,544)	(0.0)	64,701	(3,150)	6.9	67,958	470,613
SJHospital: SURGICAL SVCS ADMIN	10.8	79,482	858,410	-	-	-	(0.0)	79,482	(3,780)	10.8	79,482	854,631
SJHospital: PACU	30.7	76,168	2,336,468	-	-	-	(0.1)	76,168	(10,735)	30.5	76,168	2,325,733
SJHospital: SURGICAL PREP	13.0	66,947	870,308	-	-	-	(0.1)	66,947	(4,549)	12.9	66,947	865,759
SJHospital: CENTRAL STERILE PROCESSNG	37.8	45,087	1,704,405	-	-	-	(0.3)	45,087	(13,229)	37.5	45,087	1,691,175
SJHospital: ENDOSCOPY	17.2	76,826	1,318,332	-	-	-	(0.1)	76,826	(6,005)	17.1	76,826	1,312,326
SJHospital: FLOW CYTOMETRY	1.0	62,052	62,052	-	-	-	(0.0)	62,052	(350)	1.0	62,052	61,702
SJHospital: LAB SUPPORT SVCS	6.0	90,175	536,543	-	-	-	(0.0)	90,175	(2,082)	5.9	90,175	534,460
SJHospital: BLOOD BANK	8.5	71,773	607,383	-	-	-	(0.0)	71,773	(2,962)	8.4	71,773	604,421
SJHospital: CHEMISTRY	21.9	65,394	1,432,126	-	-	-	(0.1)	65,394	(6,164)	21.8	65,394	1,425,962
SJHospital: HEMATOLOGY	5.7	75,156	425,386	-	-	-	(0.0)	75,156	(1,981)	5.6	75,156	423,405
SJHospital: MICROBIOLOGY	3.7	61,812	229,381	-	-	-	(0.0)	61,812	(1,299)	3.7	61,812	228,083
SJHospital: SURGICAL PATHOLOGY	14.0	64,193	901,263	-	-	-	(0.1)	64,193	(4,913)	14.0	64,193	896,349
SJHospital: REFERENCE/SENDOUTS	1.0	32,535	32,535	-	-	-	(0.0)	32,535	(350)	1.0	32,535	32,185
SJHospital: PHLEBOTOMY	11.6	43,052	497,251	-	-	-	(0.1)	43,052	(4,042)	11.5	43,052	493,209
SJHospital: CYTOLOGY	2.4	61,528	147,667	-	-	-	(0.0)	61,528	(840)	2.4	61,528	146,827
SJHospital: IMMUNOLOGY	0.9	76,490	68,841	-	-	-	(0.0)	76,490	(315)	0.9	76,490	68,526
SJHospital: CT	9.1	85,240	776,112	-	-	-	(0.0)	85,240	(3,186)	9.1	85,240	772,926
SJHospital: RADIOLOGY	18.3	78,518	1,438,062	-	-	-	(0.1)	78,518	(6,410)	18.2	78,518	1,431,652
SJHospital: INTERVENTIONAL RADIOLOGY	7.1	89,431	634,066	(0.4)	53,832.0	(22,609)	(0.0)	89,431	(2,481)	6.6	91,682	608,975
SJHospital: NUCLEAR MEDICINE	6.3	68,728	430,235	-	-	-	(0.0)	68,728	(1,191)	6.2	68,728	429,045
SJHospital: RADIOLOGY ADMIN	11.7	70,292	818,907	-	-	-	(0.1)	70,292	(4,077)	11.6	70,292	814,830
SJHospital: RADIOLOGY THERAPEUTIC	12.6	102,566	1,291,306	-	-	-	(0.0)	102,566	(4,406)	12.5	102,566	1,286,900
SJHospital: ULTRASOUND	8.9	82,518	736,064	-	-	-	(0.0)	82,518	(3,122)	8.9	82,518	732,942
SJHospital: CV FITNESS	4.8	59,692	286,521	-	-	-	(0.0)	59,692	(1,680)	4.8	59,692	284,841
SJHospital: HEART INSTITUTE	6.1	81,938	495,727	-	-	-	(0.0)	81,938	(2,117)	6.0	81,938	493,610
SJHospital: EEG	0.8	75,613	56,710	-	-	-	(0.0)	75,613	(262)	0.7	75,613	56,448
SJHospital: CARDIAC CATH LAB	15.7	96,566	1,511,254	(5.2)	97,657	(508,163.1)	(0.1)	96,566	(5,477)	10.4	96,019	997,614
SJHospital: CARDIAC CATH PREP/RECOV	12.0	89,558	1,074,693	(4.0)	97,657	(389,646.0)	(0.0)	89,558	(4,200)	8.0	85,500	680,848
SJHospital: RESPIRATORY CARE	21.9	77,053	1,690,161	-	-	-	(0.1)	77,053	(7,176)	21.8	77,053	1,682,985
SJHospital: PULMONARY DIAGNOSTICS	1.3	55,402	70,915	-	-	-	(0.0)	55,402	(448)	1.3	55,402	70,467
SJHospital: RADIOGRAPHICS	12.0	61,015	730,349	-	-	-	(0.1)	61,015	(4,189)	11.9	61,015	726,160
SJHospital: SLEEP DIAGNOSTIC CTR	2.0	67,514	137,054	-	-	-	(0.0)	67,514	(710)	2.0	67,514	136,343
SJHospital: PHARMACY	32.5	81,424	2,643,034	-	-	-	(0.1)	81,424	(11,360)	32.3	81,424	2,631,674
SJHospital: PHARMACY ONCOLOGY	3.2	96,861	312,862	-	-	-	(0.0)	96,861	(1,130)	3.2	96,861	311,732
SJHospital: PHARMACY SUPPORT SVCS	6.4	103,571	662,851	-	-	-	(0.0)	103,571	(2,240)	6.4	103,571	660,611
SJHospital: MEDICAL ONCOLOGY	7.8	40,172	312,944	-	-	-	(0.1)	40,172	(2,726)	7.7	40,172	310,218
SJHospital: DIABETES CENTER	2.8	79,061	217,419	-	-	-	(0.0)	79,061	(962)	2.7	79,061	216,457
SJHospital: INFUSION SVCS	11.0	76,156	840,757	-	-	-	(0.1)	76,156	(3,864)	11.0	76,156	836,893
SJHospital: WOUND SVCS	1.9	87,167	165,618	-	-	-	(0.0)	87,167	(665)	1.9	87,167	164,953
SJHospital: WOUND CLINIC	3.6	72,407	260,664	-	-	-	(0.0)	72,407	(1,260)	3.6	72,407	259,405
SJHospital: EMERGENCY DEPT PHYS	0.5	263,743	131,871	-	-	-	(0.0)	263,743	(175)	0.5	263,743	131,696
SJHospital: ANTICOAGULATION CLINIC	3.8	86,643	327,512	-	-	-	(0.0)	86,643	(1,323)	3.8	86,643	326,189
SJHospital: PNC	8.8	74,312	653,942	-	-	-	(0.0)	74,312	(3,080)	8.8	74,312	650,862
SJHospital: LACTATION CTR	1.8	91,183	167,776	-	-	-	(0.0)	91,183	(644)	1.8	91,183	167,133
SJHospital: STROKE CTR	1.7	87,251	144,732	-	-	-	(0.0)	87,251	(581)	1.7	87,251	144,151
SJHospital: FREESTAND LAB	13.0	190,111	515,170	-	-	-	(0.0)	190,111	(4,549)	13.0	190,111	510,620
SJMedical Group	292.3	4,727,252	39,492,577	-	-	-	-	-	-	292.3	135,130	39,492,577
Total Direct Care	1,555.7	\$ 90,481	\$ 140,764,443	(20.7)	\$ 84,638	\$ (1,749,205)	(5.9)	\$ 69,667	\$ (412,276)	1,529.1	\$ 90,641	\$ 138,602,962
Support Staff (List general categories, add rows if needed)												
DME Company	14.9	\$ 327,333	\$ 1,209,414	-	\$ -	\$ -	-	-	-	14.9	\$ 81,072	\$ 1,209,414
SJHospital: TRANSPORT SVCS	23.4	30,353	709,953	-	-	-	(0.3)	30,353	(8,186)	23.1	30,353	701,768
SJHospital: ENVIRONMENTL SVCS INFECTI	4.0	97,474	389,896	-	-	-	(0.0)	97,474	(1,400)	4.0	97,474	388,496
SJHospital: LAUNDRY/LINEN	4.0	29,169	115,802	-	-	-	(0.0)	29,169	(1,389)	3.9	29,169	114,413
SJHospital: FACILITIES OPERATIONS	13.7	58,276	795,806	-	-	-	(0.1)	58,276	(4,779)	13.6	58,276	791,027
SJHospital: FACILITIES IMPROV/MODIFIC	14.7	67,471	991,823	-	-	-	(0.1)	67,471	(5,144)	14.6	67,471	986,679
SJHospital: PARKING PLANT MAINT/GRNDS	9.2	34,373	315,884	-	-	-	(0.1)	34,373	(3,216)	9.1	34,373	312,668
SJHospital: SAFETY/SECURITY	19.6	38,471	752,878	-	-	-	(0.2)	38,471	(6,849)	19.4	38,471	746,029
Total Support	103.4	\$ 51,081	\$ 5,281,456	-	\$ -	\$ -	(0.8)	\$ 355,586	\$ (30,963)	102.6	\$ 436,658	\$ 5,250,493
TOTAL EMPLOYEES	1,952.0	\$ 86,978	\$ 169,781,000	(20.7)	\$ 84,638	\$ (1,749,205)	(8.4)	\$ 64,872	\$ (542,935)	1,923.0	\$ 87,099	\$ 167,488,860
BENEFITS @ % of SALARIES		20.7%	34,074,000			(362,085)			(112,388)			34,670,194
TOTAL COST			\$ 203,855,000			\$ 2,111,290			\$ 655,323			\$ 202,159,054

EXHIBIT 22

ID	Task Name	Duration	Start	Finish	2019	2020	2021	2022	2023	
					H1	H2	H1	H2	H1	H2
1	UMSJMC Perioperative Program - Construction Timeline	946 days	Mon 7/1/19	Mon 2/13/23						
2	Project Start	0 days	Mon 7/1/19	Mon 7/1/19						
3	Phase 1 - Enabling Moves	6 mons	Mon 7/1/19	Tue 12/31/19						
4	Phase 2 - Renovation of New Cath Labs & Sterile Processing Department	11 mons	Wed 1/1/20	Thu 12/3/20						
5	Phase 3 - Renovation of New Cardiac OR's & C-ICU	8 mons	Fri 12/4/20	Fri 8/6/21						
6	Phase 4 - Construction of 2 South OR's & PACU	10 mons	Mon 8/9/21	Fri 6/10/22						
7	Phase 5 - Construction of 2 South OR's & Prep / Recovery	8 mons	Mon 6/13/22	Mon 2/13/23						
8	Project Complete	0 days	Mon 2/13/23	Mon 2/13/23						

EXHIBIT 23

TABLE E. ALTERNATIVE 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.

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.d as a use of funds and on line B.8 as a source of funds

	Hospital Building	Other Structure	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building	\$213,175		\$213,175
(2) Fixed Equipment			\$0
(3) Site and Infrastructure	\$351,760		\$351,760
(4) Architect/Engineering Fees	\$47,455		\$47,455
(5) Permits (Building, Utilities, Etc.)	\$3,000		\$3,000
SUBTOTAL	\$615,390	\$0	\$615,390
b. Renovations			
(1) Building	\$30,967,646		\$30,967,646
(2) Fixed Equipment (not included in construction)	In Building		\$0
(3) Architect/Engineering Fees	\$5,746,321		\$5,746,321
(4) Permits (Building, Utilities, Etc.)	\$47,000		\$47,000
SUBTOTAL	\$36,760,967	\$0	\$36,760,967
c. Other Capital Costs			
(1) Movable Equipment	\$11,630,000		\$11,630,000
(2) Contingency Allowance	\$3,679,709		\$3,679,709
(3) Gross interest during construction period			\$0
(4) Other (Project Management, Enabling Relocations)	\$2,050,000		\$2,050,000
SUBTOTAL	\$17,359,709	\$0	\$17,359,709
TOTAL CURRENT CAPITAL COSTS	\$54,736,066	\$0	\$54,736,066
d. Land Purchase			
e. Inflation Allowance			
	\$2,878,934		\$2,878,934
TOTAL CAPITAL COSTS	\$57,615,000	\$0	\$57,615,000
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees			\$0
b. Bond Discount			\$0
c. CON Application Assistance			
c1. Legal Fees	\$150,000		\$150,000
c2. Other (Specify/add rows if needed)	\$736,000		\$736,000
d. Non-CON Consulting Fees			
d1. Legal Fees			\$0
d2. Other (Specify/add rows if needed)	\$1,499,000		\$1,499,000
e. Debt Service Reserve Fund			
f. Other (Specify/add rows if needed)			
			\$0
SUBTOTAL	\$2,385,000	\$0	\$2,385,000
3. Working Capital Startup Costs			
TOTAL USES OF FUNDS	\$60,000,000	\$0	\$60,000,000
B. Sources of Funds			
1. Cash			
	\$30,258,480		\$30,258,480
2. Philanthropy (to date and expected)			
	\$20,000,000		\$20,000,000
3. Authorized Bonds			
4. Interest Income from bond proceeds listed in #3			
5. Mortgage			
6. Working Capital Loans			
7. Grants or Appropriations			
a. Federal			
b. State			
c. Local			
8. Other (Escrow Funds for OR Renovations)			
	\$9,741,520		\$9,741,520
TOTAL SOURCES OF FUNDS	\$60,000,000		\$60,000,000
	Hospital Building	Other Structure	Total
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

EXHIBIT 24

Current Fundraising Success: Miracles Happen Here

Overall Campaign Progress

Campaign Goal = \$21 Million (includes \$1M Hybrid Operating Room goal)

Secured Documented Gifts	\$ 9,198,931	Percentage of Goal Secured	58%
Secured Verbal Gifts	\$ 3,045,000	Pending Gift Decisions	22/\$800,500
Total Doc/Verbal Gifts	\$ 12,243,931		
Total Left to Raise	\$ 8,756,069		

Campaign Division Progress (Documented and Verbal)

Division	Goal	Raised	% to Goal
Board Gifts	\$2 Million	\$ 855,700	43%
Cornerstone and Leadership	\$10 Million	\$ 5,797,887	58%
Physician Gifts	\$1.5 Million	\$ 943,904	63%
Nurse Gifts	\$250,000	\$ 40,110	16%
Corporate/Foundation	\$5 Million	\$ 2,990,150	60%
Staff Gifts	\$750,000	\$ 641,004	85%
Community and Friends	\$500,000	\$ 499,877	100%
Hybrid OR	\$1 Million	\$ 475,300	48%
Total	\$21 Million	\$ 12,243,931	58%

Historical Fundraising Success

Year	Campaign	Purpose	Total Raised
2016 –	Miracles Happen Here: The Campaign for Sustaining Surgical Excellence	To renovate and transform our operating suites, surgical services programs and patient experience initiatives.	\$12.24 Million raised to date
2014 –	Geraldine G. Schultz Fund for Breast Cancer Survivors	An endowment to support the survivorship needs of breast cancer patients	\$1.6 Million
2014-2015	Building for Our Future Campaign	Renovation and expansion of our mother/baby unit, patient rooms, triage center and nursery	\$2.32 Million
2013	150 th Anniversary	To support the critical needs of the medical center in celebration of 150 years of service	\$1.51 Million
2012-2013	7 th Floor Inpatient Oncology Campaign	To renovate and outfit the East and West wings of our 7 th floor inpatient oncology units.	\$1 Million
2004	Investing in Excellence Campaign	Multitude of capital and programmatic initiatives, including transformations of our NICU, Main Entrance, Heart Institute and Keeler Spiritual Center	\$18 Million
2000	A Legacy for the Next Millennium Campaign	To support upgrades to our MSICU Unit and Surgical Services	\$7 Million

EXHIBIT 25

TABLE G. ALTERNATIVE REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

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

Indicate CY or FY	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.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
1. REVENUE										
a. Inpatient Services	\$ 243,145	\$ 243,412	\$ 249,556	\$ 245,592	\$ 251,262	\$ 251,300	\$ 250,228	\$ 250,258	\$ 250,290	\$ 250,322
b. Outpatient Services	\$ 311,849	\$ 322,493	\$ 339,390	\$ 340,447	\$ 339,662	\$ 339,669	\$ 339,486	\$ 339,492	\$ 339,498	\$ 339,504
Gross Patient Service Revenues	\$ 554,994	\$ 565,905	\$ 588,946	\$ 586,038	\$ 590,924	\$ 590,970	\$ 589,714	\$ 589,750	\$ 589,788	\$ 589,826
c. Allowance For Bad Debt	\$ 21,673	\$ 13,646	\$ 14,328	\$ 14,233	\$ 14,393	\$ 14,394	\$ 14,353	\$ 14,354	\$ 14,356	\$ 14,357
d. Contractual Allowance	\$ 120,243	\$ 125,132	\$ 136,702	\$ 133,632	\$ 134,057	\$ 134,061	\$ 133,952	\$ 133,956	\$ 133,959	\$ 133,962
e. Charity Care	\$ 3,803	\$ 6,458	\$ 5,702	\$ 8,474	\$ 8,543	\$ 8,544	\$ 8,528	\$ 8,528	\$ 8,529	\$ 8,529
Net Patient Services Revenue	\$ 409,275	\$ 420,669	\$ 432,214	\$ 429,699	\$ 433,930	\$ 433,970	\$ 432,881	\$ 432,912	\$ 432,945	\$ 432,978
f. Other Operating Revenues (Specify/add rows if needed)	\$ 6,839	\$ 4,750	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106	\$ 5,106
NET OPERATING REVENUE	\$ 416,114	\$ 425,419	\$ 437,320	\$ 434,805	\$ 439,036	\$ 439,076	\$ 437,987	\$ 438,018	\$ 438,051	\$ 438,084
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 195,905	\$ 198,026	\$ 203,855	\$ 198,068	\$ 197,865	\$ 198,104	\$ 198,404	\$ 200,015	\$ 200,041	\$ 202,159
b. Contractual Services	\$ 95,593	\$ 100,076	\$ 104,216	\$ 101,381	\$ 100,893	\$ 100,323	\$ 99,979	\$ 100,285	\$ 100,116	\$ 100,985
c. Interest on Current Debt	\$ 12,982	\$ 12,841	\$ 12,055	\$ 13,543	\$ 13,153	\$ 12,838	\$ 12,508	\$ 12,186	\$ 11,873	\$ 11,568
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Current Depreciation	\$ 17,598	\$ 19,716	\$ 21,539	\$ 21,920	\$ 22,783	\$ 23,031	\$ 21,841	\$ 20,420	\$ 19,362	\$ 15,656
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 3,000	\$ 3,000
g. Current Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
i. Supplies	\$ 81,820	\$ 82,507	\$ 84,337	\$ 84,464	\$ 84,450	\$ 84,862	\$ 85,339	\$ 86,385	\$ 86,433	\$ 87,422
j. Other Expenses (Specify/add rows if needed)	\$ 8,800	\$ 10,820	\$ 6,931	\$ 6,734	\$ 6,722	\$ 6,747	\$ 6,777	\$ 6,851	\$ 6,850	\$ 6,920
TOTAL OPERATING EXPENSES	\$ 412,698	\$ 423,986	\$ 432,933	\$ 426,109	\$ 425,865	\$ 425,904	\$ 424,847	\$ 427,644	\$ 427,676	\$ 427,709
3. INCOME										
a. Income From Operation	\$ 3,416	\$ 1,433	\$ 4,387	\$ 8,696	\$ 13,171	\$ 13,172	\$ 13,140	\$ 10,374	\$ 10,374	\$ 10,375
b. Non-Operating Income	\$ (1,839)	\$ (585)	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795	\$ 795
NET INCOME (LOSS)	\$ 1,577	\$ 848	\$ 5,182	\$ 9,491	\$ 13,966	\$ 13,967	\$ 13,935	\$ 11,169	\$ 11,169	\$ 11,170

TABLE H. ALTERNATIVE REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY

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

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Indicate CY or FY										
1. REVENUE										
a. Inpatient Services	\$ 243,145	\$ 243,412	\$ 249,556	\$ 251,464	\$ 261,938	\$ 267,483	\$ 271,924	\$ 279,641	\$ 285,568	\$ 291,628
b. Outpatient Services	311,849	322,493	339,390	348,116	355,118	363,120	371,097	380,794	389,385	398,176
Gross Patient Service Revenues	\$ 554,994	\$ 565,905	\$ 588,946	\$ 599,580	\$ 617,056	\$ 630,604	\$ 643,021	\$ 660,434	\$ 674,953	\$ 689,804
c. Allowance For Bad Debt	21,673	13,646	14,328	14,566	15,025	15,353	15,641	16,069	16,420	16,779
d. Contractual Allowance	120,243	125,132	136,702	136,795	140,347	143,606	146,817	150,512	154,009	157,589
e. Charity Care	3,803	6,458	5,702	8,664	8,908	9,097	9,272	9,532	9,735	9,942
Net Patient Services Revenue	\$ 409,275	\$ 420,669	\$ 432,214	\$ 439,555	\$ 452,777	\$ 462,548	\$ 471,291	\$ 484,321	\$ 494,789	\$ 505,494
f. Other Operating Revenues (Specify/add rows if needed)	6,839	4,750	5,106	5,229	5,354	5,483	5,614	5,749	5,887	6,028
NET OPERATING REVENUE	\$ 416,114	\$ 425,419	\$ 437,320	\$ 444,784	\$ 458,131	\$ 468,030	\$ 476,905	\$ 490,070	\$ 500,676	\$ 511,522
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 195,905	\$ 198,026	\$ 203,855	\$ 203,166	\$ 207,508	\$ 212,724	\$ 218,060	\$ 224,879	\$ 230,258	\$ 237,865
b. Contractual Services	95,593	100,076	104,216	103,814	105,461	107,186	109,138	111,785	114,060	117,409
c. Interest on Current Debt	12,982	12,841	12,055	13,543	13,153	12,838	12,508	12,186	11,873	11,568
d. Interest on Project Debt	-	-	-	-	-	-	-	-	-	-
e. Current Depreciation	17,598	19,716	21,539	21,920	22,783	23,031	21,841	20,420	19,362	15,656
f. Project Depreciation	-	-	-	-	-	-	-	1,500	3,000	3,000
g. Current Amortization	-	-	-	-	-	-	-	-	-	-
h. Project Amortization	-	-	-	-	-	-	-	-	-	-
i. Supplies	81,820	82,507	84,337	86,592	88,541	91,131	93,827	97,184	99,573	102,964
j. Other Expenses (Specify/add rows if needed)	8,800	10,820	6,931	6,854	6,941	7,080	7,223	7,413	7,530	7,716
TOTAL OPERATING EXPENSES	\$ 412,698	\$ 423,986	\$ 432,933	\$ 435,888	\$ 444,387	\$ 453,990	\$ 462,598	\$ 475,368	\$ 485,656	\$ 496,177
3. INCOME										
a. Income From Operation	\$ 3,416	\$ 1,433	\$ 4,387	\$ 8,896	\$ 13,744	\$ 14,041	\$ 14,307	\$ 14,702	\$ 15,020	\$ 15,346
b. Non-Operating Income	(1,839)	(585)	795	795	795	795	795	795	795	795
NET INCOME (LOSS)	\$ 1,577	\$ 848	\$ 5,182	\$ 9,691	\$ 14,539	\$ 14,836	\$ 15,102	\$ 15,497	\$ 15,815	\$ 16,141

TABLE H. ALTERNATIVE REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY

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

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare	46.1%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%	46.6%
2) Medicaid	10.7%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
3) Blue Cross	12.3%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
4) Commercial Insurance	27.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
5) Self-pay	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
6) Other	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
b. Percent of Equivalent Inpatient Days										
1) Medicare	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%
2) Medicaid	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%	14.9%
3) Blue Cross	11.3%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
4) Commercial Insurance	27.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%
5) Self-pay	2.1%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
6) Other	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

CHECK

P&L Net Income	1,577	848	5,182	9,691	14,539	14,836	15,102	15,497	15,815	16,141
Difference	-	-	-	-	(0)	(0)	-	0	0	(0)