

Estes Park Health - Urgent Care Clinic Feasibility

Estes Park Health July 17, 2019



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Executive Summary



- Estes Park Health (EPH) is a 25 bed Critical Access Hospital (CAH) providing emergency, inpatient, surgical, rehabilitative, and clinical services to Estes Park and the surrounding community
 - EPH is located by Rocky Mountain National Park and experiences a significant influx of visitors during the spring, summer, and fall months translating to increased utilization of hospital services
- Recently, EPH completed a Strategic Plan and a Community Health Needs Assessment (CHNA) and developed a related action plan to address strategic and community needs
 - Both reports cited convenient/urgent and affordable healthcare as key initiatives for EPH
 - The strategic plan cited the single site of care and a lack of multi-channel on-demand primary care services such as urgent care, virtual care, walk-in, and extended hours as a strategic initiative that is imperative to serve the community, reduce the cost of care, and discourage competitors from entering the market
- EPH has identified the Alarado Business Park as a strategically located site to establish an Urgent Care Clinic (UCC) and plans to move physical therapy and physician offices from the hospital to the site for planned clinic expansions within the hospital
 - The proposed new site sits in a highly visibility and accessible area to maximize the traffic to the clinic from residents and visitors of Estes Park
- Note: See Appendix I for listing of acronyms

Executive Summary



- EPH engaged Stroudwater to conduct a market assessment, determine the Medicare and Medicaid cost-based reimbursement impact, and project financials for the proposed Provider-based UCC
 - Stroudwater used demographic, utilization, market share, and financial healthcare data to determine the visits and related procedures, laboratory tests, and imaging encounters at an UCC to project financials and the cost-based reimbursement impact
- The overall Primary Service Area (PSA) population is 12,421 and has a projected growth of 9.1% between 2018 and 2023 and will need additional services and access aimed to meet healthcare needs
- Estes Park experiences an influx of tourism from the 4.6M annual visitors to Rocky Mountain National Park increasing the adjusted population by 5,670 people
- Outpatient services as a whole are projected to grow by 16.8% over the next 5 years to meet the demands of an aging population and increasing population
 - Outpatient service offerings by site of services that are projected to have the largest growth are urgent care (29.8%), emergency room (22.5%), and independent lab services (25.9%)
- EPH's combined market share has decreased since 2013 when compared to 2017 losing the greatest market share to Medical Center of the Rockies (UCHealth) in Loveland, Colorado
 - In 2017, EPH had 26.1% Medicare market share compared to 36.0% Medicare market share in 2013
 - Despite the decline in market share, observation days have increased 26-fold over the same period from 21 days in FY13 to 551 days in FY17

Methodology & Objectives



- Stroudwater used a two-phased approach to assess both the market demand and compare financial impact and variance of both a Baseline Scenario and an Urgent Care Clinic Scenario
 - Phase I encompassed a market assessment to provide market insights on the demand for UCC services:
 - Market Assessment
 - Stroudwater incorporated the latest demographic, business, and healthcare forecasting data to determine and develop geographic visualizations and boundaries of market area
 - Payer Analysis
 - The assessment looked at the historical and projected payer mix for the market to develop a realistic estimate of future payer mix
 - Market Share
 - Market share data for existing services and providers, obtained through IBM Watson Health data and state agencies, was used to evaluate demand in the local market for UCC services

Methodology & Objectives



- Phase II relied on information gathered from Phase I and data provided by the client to determine components of the financial projections and the Provider-Based (cost-based) reimbursement financial impact
 - <u>Utilization of Existing Plans and Data</u>
 - Stroudwater evaluated existing strategic initiatives, market data, and financial analysis and assumptions to gain an understanding of proposed staffing and operations of the UCC
 - Volume Projections
 - The market analysis looked at urgent care volumes to determine reasonableness and prospective market conditions for an UCC in Estes Park, Colorado
 - Revenue and Reimbursement
 - Stroudwater used volume projections, reimbursement data, the audited financials, and the FY18 cost report to project the net reimbursement of EPH with and without the proposed UCC under the cost report methodology (reimbursement methodology employed by Medicare and Medicaid in Colorado for CAHs) and fee-for-service methodology (used by commercial payers)
 - Operational Expense Projections
 - Based on the client's business plan (proposed staffing and hours of operation), audited financials, and cost report data, Stroudwater projected expenses of the UCC and trended forward EPH's historical financials to determine operational expenses

Definitions & Regulations



Critical Access Hospital (CAH)

- A Critical Access Hospital (CAH) is a federal designation under the Rural Hospital
 Flexibility Program (FLEX) that provides cost-based reimbursement for eligible Medicare,
 and in some states Medicaid services
- The purpose of the CAH designation is to ensure that people enrolled in Medicare and Medicaid have access to healthcare services in rural areas, particularly hospital care
- Each CAH must comply with the following conditions of participation (COPs):
 - Location:
 - Be located in a rural area
 - Distance Criteria:
 - Meet federal distance requirement that a CAH must be at least a 35-mile drive on primary roads or 15 miles on secondary roads to the nearest hospital or CAH
 - Prior to January 1, 2006, CAHs could be deemed Necessary Providers and qualify without meeting federal distance criteria
 - Emergency Services:
 - Offer 24-hour emergency department, laboratory, and diagnostic x-ray services
 - Inpatient Bed Limit:
 - Operate fewer than 25 inpatient beds
 - Average Length of Stay: maintain an average length of stay of less than 96 hours for inpatient acute care services

Definitions & Regulations



Provider-Based Clinic (PBC)

- A Provider-Based Entity is operated as an integrated department of a main provider, including a hospital or a Critical Access Hospital
 - The PBC must be 100% owned by the main provider and financial operations must be integrated with the main provider's financial system
 - The PBC must be held out to the public and other payers as a department of the main provider and patients must be made aware when they enter the PBC that they are entering a department of the main provider and will be billed accordingly
 - Section 42 CFR 413.65(e)(3)(i) requires all off-campus provider-based facilities, except established RHCs, be located within a 35-mile radius of the campus of the hospital that is the main provider
- PBCs have access to the following benefits:
 - A physician clinic operating as a PBC may receive higher Medicare payments than the same practice operating as a freestanding clinic, an independent RHC, or an RHC operating under a hospital with 50 beds or more
 - Medicare reimburses PBCs both a Physician Fee Schedule payment, which covers the professional component, and a cost-based payment for CAHs or APC payment for SCHs that covers the technical component
 - Physician Fee Schedule reimbursements are based on the CPT billed for the services provided

Definitions & Regulations



Critical Access Hospital (CAH)

- The clinic designation type selected will not only impact reimbursements received, but could also jeopardize the ability to maintain CAH designation
 - A CAH acquiring an off-site PBE, unless the entity is a PB-RHC, is required to meet distance requirements based on the location of the acquired entity
 - Operating a provider-based facility which does not meet the distance requirements would lead to the loss of EPH's CAH designation even if the CAH is designated as a necessary provider
- Section 42 CFR 413.65(e)(3)(i) requires all off-campus provider-based facilities to be located within a 35-mile radius of the campus of the hospital or CAH that is the potential main provider
 - Already-established RHCs are excluded from the list of off-campus facilities subject to this provision
- Further, section 42 CFR 485.610(e)(2) requires that if a CAH operates an off-campus provider-based facility as defined in §413.65(a)(2), except for a rural health clinic (RHC), that was created or acquired on or after January 1, 2008, then the off-campus location must meet the federal distance requirement to the next nearest hospital or CAH
 - 42 CFR 405.2401(b) excludes already-established RHCs from the list of provider-based facilities that must comply with this requirement
 - 42 CFR 413.65(a)(2) defines a campus as the physical area immediately adjacent to the
 provider's main buildings, other areas, and structures that are not strictly contiguous to the
 main buildings, but are located within 250 yards of the main buildings, and any other areas
 determined by the CMS regional office on an individual case basis to be part of the provider's
 campus

Definitions & Regulations - Summary



- EPH confirmed with its attorney that although the distance between the Alarado site and the next nearest hospital is less than 35 miles, U.S. Highway 34 is classified as "mountainous terrain" based on the Colorado Department of Transportation lowering the distance requirement to 15 miles
 - Assuming that both U.S. Highway 34 and U.S. Highway 36 leading to Estes Park are both classified as "mountainous terrain" by CMS during the survey process before opening the UCC at the Alarado Site, EPH would be eligible to receive the enhanced reimbursement from Medicare and Medicaid and would not jeopardize their CAH designation

Market Assessment

Market Assessment Overview

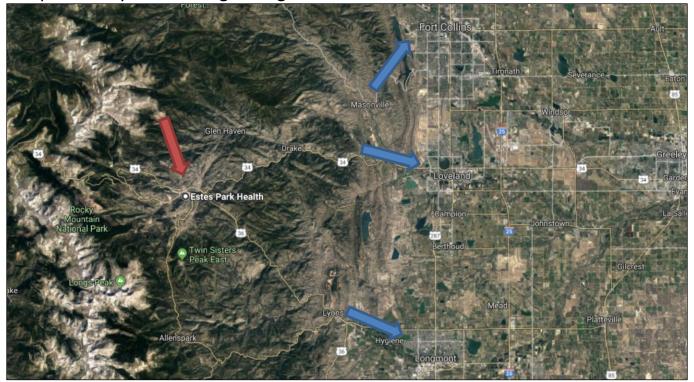


- The Market Assessment components are as follows:
 - Geography
 - Service area definition
 - Market analysis
 - Population
 - Historical Medicare inpatient market share
 - Insurance estimates
 - Median household income
 - Outpatient estimates and projections

Geography



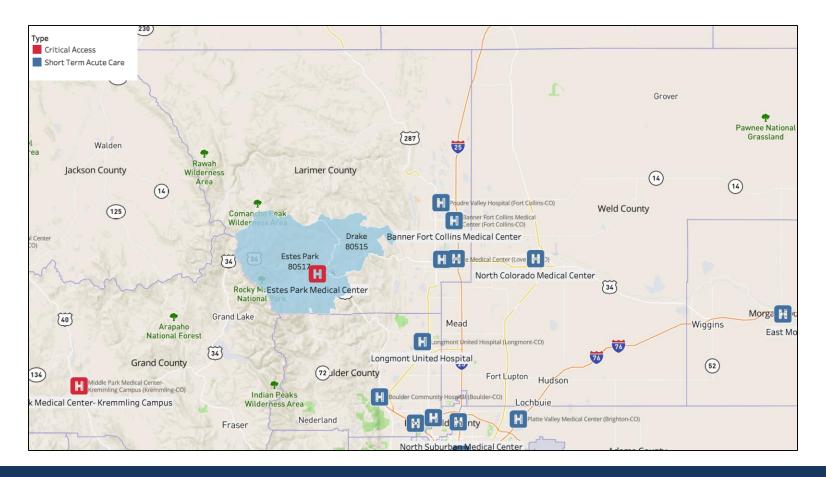
- The smaller population, geographic terrain, and distance from Fort Collins, Loveland, and Longmont has
 provided a barrier from competition; however, as reimbursement rates decline, healthcare systems
 have become increasingly aggressive in seeking market share and may target Estes Park as population
 continues to grow
- It was reported that UCHealth and Banner Health both have investigated establishing an Urgent Care located in Estes Park and already have a presence in Longmont, Loveland, and Fort Collins
- Thus, EPH views this as a threat to clinic and outpatient revenue streams and hopes to discourage outside competition by establishing an Urgent Care first



Service Area of EPH



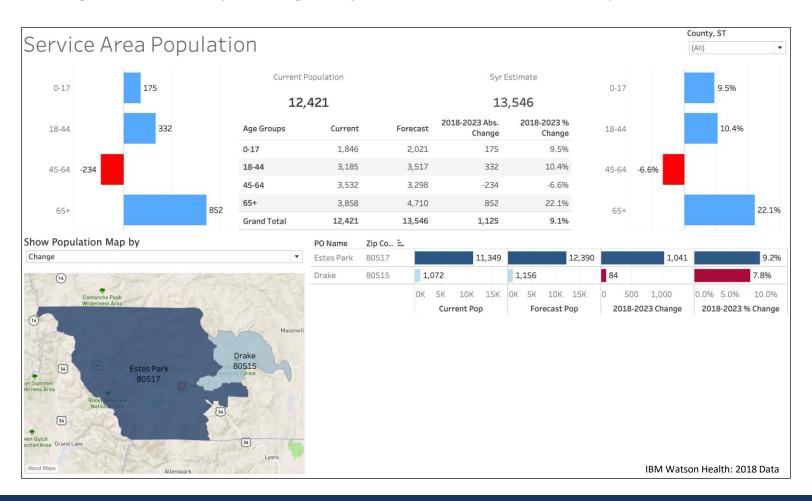
- The focus of this engagement is in the area identified in blue as the Estes Park Health PSA
- EPH is currently the only hospital in the PSA, with the next nearest hospital (Longmont United Hospital)
 30.1 miles (42 minutes) away through mountainous terrain via US-36 in Longmont allowing EPH to qualify as a CAH



Population (Primary Service Area)



- The PSA (including Drake) has a current population of 12,421
- Population is anticipated to grow by 9.1% between 2018 and 2023 to 13,546 people
- The 65+ age cohort is anticipated to grow by more than 22.1% in this same period



Population (Tourism)



Rocky Mountain National Park attracts 4.6M visitors annually or 12,600 visitors per day

Rocky Mountain National Park Annual Visitors										
2015 2016 2017 2018										
Visitors	4,164,666	4,526,335	4,445,965	4,599,243						

- Stroudwater adjusted for tourism population by assuming a 50% market share of the annual visitors of the park at a 90% use rate
 - Use rates adjust for patient healthcare service location preference by assuming visiting patients may be more inclined to seek healthcare services upon returning home from their travels
- Stroudwater assumed the 2018 visitor population as the base population and increased visits at 3.36% per year (average yearly increase since 2015) as visits to Rocky Mountain National Park have generally trended higher
- The table below shows the adjusted tourism population for Estes Park

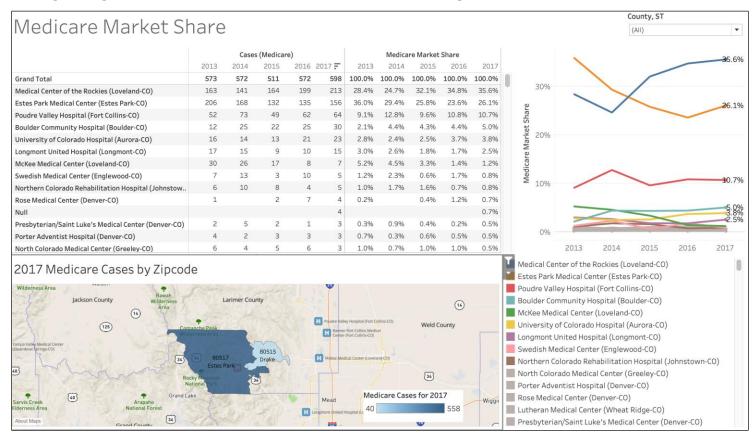
Visitor Population with 50% Market Share and 90% Utilization											
	2019	2020	2021	2022	2023	2024					
Visitors	2,069,659	2,141,062	2,214,929	2,291,344	2,370,395	2,452,174					
Per Day	5,670	5,866	6,068	6,278	6,494	6,718					

 Note: Stroudwater used conservative population estimates based on available governmental statistics but recognizes that not all tourists to Estes Park are captured as visitors of Rocky Mountain National Park and that Estes Park experiences an influx of seasonal workers that may create additional urgent care utilization during peak seasonal months

Medicare Inpatient Market Share (PSA Only)



- In 2013, EPH had a PSA Medicare market share of 36.0% but has since declined by 9.9% to 26.1% or by 50 Medicare discharges for 2017; however, some of the decline can be attributed to a switch to observation days which have increased 26 fold over the same period from 21 days in FY13 to 551 days in FY17 (Note: days not discharges)
 - Medical Center of the Rockies (UCHealth) gained the most market share between FY13 and FY17 gaining 7.2% market share or 50 Medicare discharges

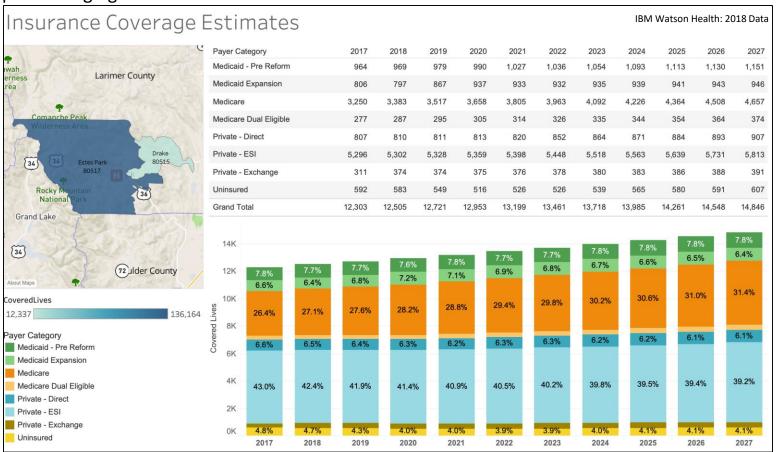


CMS: 2017 Data

Insurance Estimates (PSA Only)



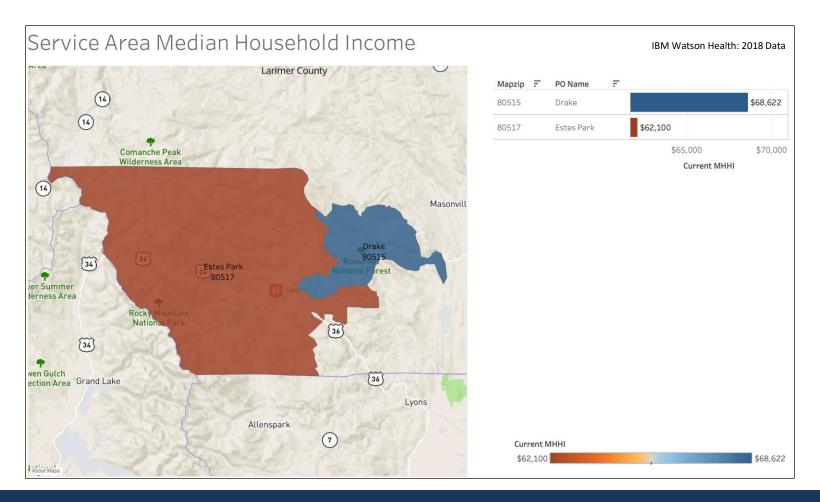
- 14.8% of the service area receives insurance coverage via Medicaid, and this is anticipated to remain stable over the next 10 years
- Medicare is anticipated to grow from 27.6% to 31.4% of the population while private employer sponsored insurance coverage is anticipated to decline, from 49.6% to 45.3%, as a result of the population aging



Median Household Income



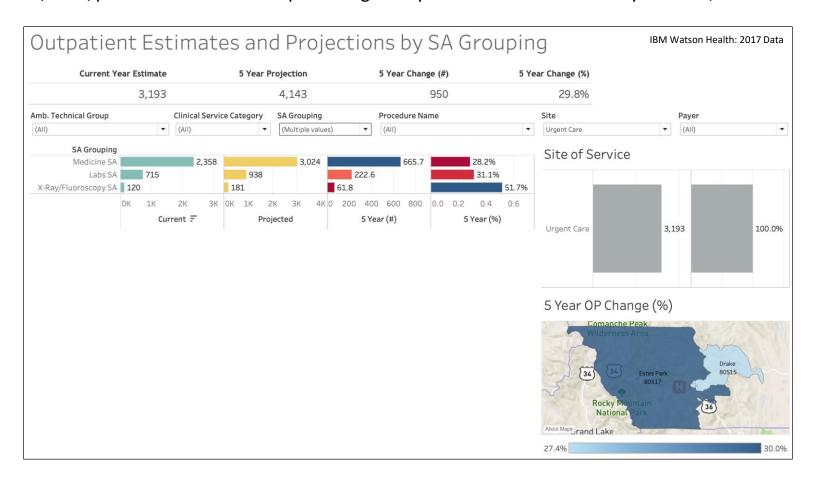
- Median Household Income (MHHI), is lower than the Colorado state median
- The community of Estes Park has a MHHI of \$62,100 lower than the community of Drake at \$68,622



Outpatient Market Estimates PSA (major services)



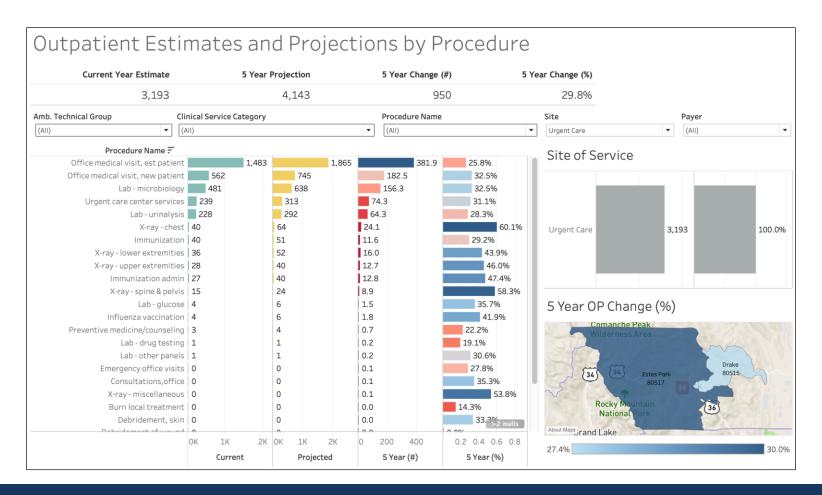
- Stroudwater used IBM Watson Health Data estimates of current and future outpatient volumes by SA service line grouping for patients residing in the PSA but performed at an Urgent Care
- For the service area, the current year estimate of major outpatient service volume equals 3,916 visits/tests/procedures and is anticipated to grow by 29.8% over the next five years to 5,084



Outpatient Market Estimates PSA (major services)



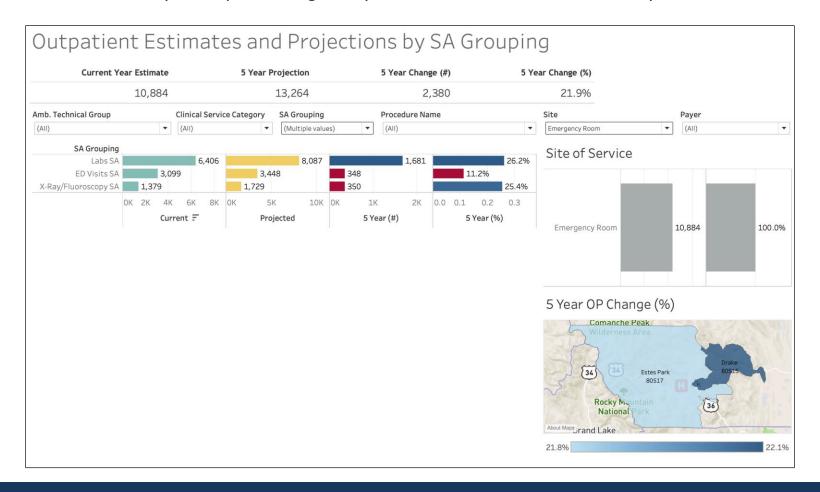
 The chart below breaks out the Urgent Care site of service SA service line groupings from the previous slide by procedure name



Outpatient PSA Market Estimates (Emergency)



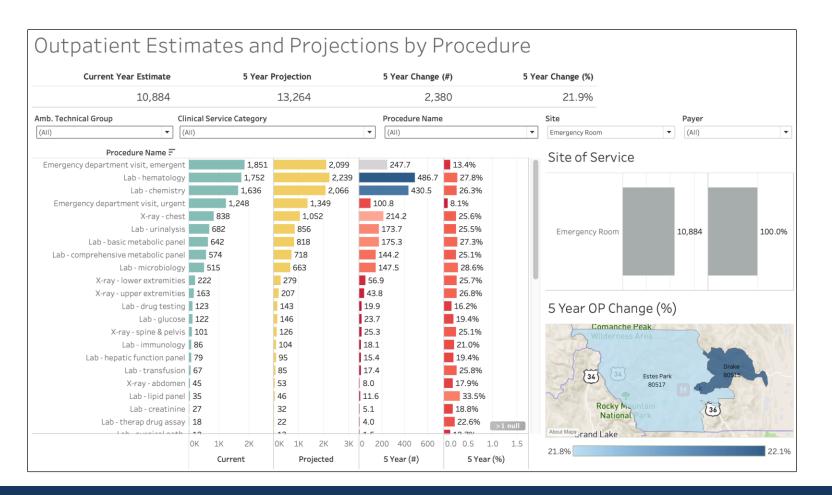
- For the service area, the current year estimate of emergency department SA service line grouping volume equals 10,884 visits/procedures/tests and is anticipated to grow by 21.9% over 5 years to 13,264 visits/tests/procedures
 - Labs and X-Ray are expected to grow by 26.2% and 25.4% over the next 5 years



Outpatient PSA Market Estimates (Emergency)



- The chart below breaks out the Emergency site of service SA service line groupings from the previous slide by procedure name
 - Emergency department visits (urgent) are expected to grow 8.1% over the next 5 years



Market Assessment Key Conclusions



- The overall PSA population is 12,421 and has a projected growth of 9.1% between 2018 and 2023 and will need additional services and access aimed to meet healthcare needs
- Estes Park experiences an influx of tourism from the 4.6M annual visitors to Rocky Mountain National Park increasing the adjusted population by 5,670 people
- EPH's combined market share as a percentage of Medicare discharges has decreased since 2013 when compared to 2017 losing the greatest market share to Medical Center of the Rockies in Loveland, Colorado (UCHealth)
 - In 2017, EPH had 26.1% Medicare market share compared to 36.0% Medicare market share in 2013
- The Market Assessment defines the PSA and shows a variety of outpatient healthcare service expected utilization within the EPH PSA
 - Outpatient services as a whole are projected to grow by 16.8% over the next 5 years to meet the demands of an aging population and increasing population
 - Outpatient service offerings by site of services that are projected to have the largest growth are urgent care (29.8%), emergency room (21.9%), and independent lab services (25.9%)

Preliminary Financial Feasibility Study

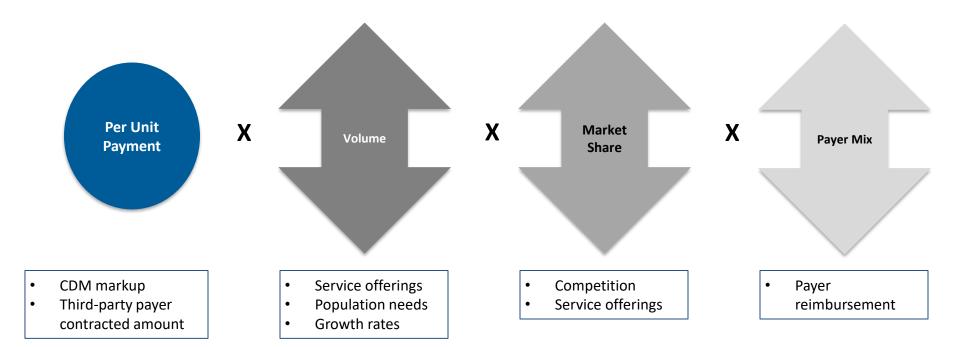
Financial Projections Overview



- Stroudwater completed the following financial feasibility study evaluating the two scenarios below:
 - Baseline Scenario: Projects baseline financials for 5 years that assumes EPH does not establish an UCC at the Alarado Business Park and assumes no increased competition within the PSA
 - Urgent Care Clinic Scenario: Projects financials for 5 years that assumes EPH establishes an Provider-Based UCC at the Alarado Business Park and assumes no increased competition within the PSA



- General Assumptions (Continued):
 - Net Patient Revenue:





- General Assumptions: Stroudwater applied the following assumptions across both models to account for revenue and expense variation unless stated otherwise by the specific scenario
 - Revenue Assumptions:
 - Gross Patient Revenue: baseline gross patient revenue was assumed to increase 2% per year
 - Reductions to Gross Patient Revenue:
 - Contractual expense was calculated by determining the net reimbursement for cost-based payers and applying a blended contractual expense of 44.1% of the gross patient revenue to all other payers
 - Bad Debt was assumed to be 1.0% of gross patient revenue
 - Charity Care was assumed to be 0.7% of gross patient revenue
 - Other Operating Revenues: assumed a 4-year historical average of \$953k
 - Expense Assumptions:
 - Operating Expenses: assumed an increase of 2.0% per year for salaries, benefits, purchased services, lease and rentals, supplies, repairs and maintenance, and other
 - Depreciation Expense was assumed to remain constant at \$2.38M
 - Capital purchases assumed a historical average of \$1.7M per year
 - Non-operating Income (Expense):
 - Property Tax Revenue was assumed to remain constant \$2.9M per year
 - Interest Expense was based on FY18 Financial Audit Note 8 schedule of long-term debt



- Non-operating Income (Expense) Continued:
 - Investment Income assumed a 3-year historical average of \$173K
 - Gain (Loss) on Disposal of Capital Assets was assumed to \$0
 - Noncapital Grants and Contributions assumed a 3-year average of \$68K

Asset Assumptions:

- Current Assets:
 - Operating Cash assumed ending cash from the statement of cash flows less restricted cash at the 3-year historical average of operating cash to total cash
 - Restricted Cash assumed ending cash from the statement of cash flows multiplied by the 3year historical average of restricted cash to total cash
 - Accounts receivable assumed the historical average of 51 days in net patient receivables
 - Property Taxes Receivable remained constant
 - Supplies on hand was assumed to be 2.42% of net patient revenue
 - Prepaid Expenses was assumed to be 1% of net patient revenue
- Non-current Cash and Investments: remained constant at \$8.9M
- Capital Assets:
 - Capital Assets Not Being Depreciated assumes no change



- Capital Assets (Continued):
 - Depreciable Capital Assets assumes purchases of \$1.7M per year
 - Accumulated Depreciation assumes no change
- Other Assets: assumes no change

<u>Liabilities and Equity</u>:

- Current Liabilities:
 - Current Maturities of Long-term Debt is based on the FY18 Financial Audit Note 8
 - Accounts Payable assumes a historical payment period of 26.8 days
 - Estimated Third-Party Payor Settlements assumes no change
 - Accrued Salaries and Wages assumes 7.21% of expense
 - Accrued Compensated Absences assumes 17.56% of employee benefits expense
 - Accrued Interest assumes 26.84% of interest expense
 - Accrued Other assumes 11.51% of other expense
- Long-term Debt: assumes reductions of schedule maturities per the FY18 Financial Audit Note 8
- Deferred Inflows of Resources: assumes no change
- Net Position: based on change in net position and historical restricted and unrestricted percentages

Urgent Care Clinic Assumptions



UCC Assumptions:

- <u>Volume</u>: visits, procedures, and tests were projected for the entire service area using IBM Watson Health 2017 data and U.S. Department of Interior National Park Service Visitor Use Statistics to adjust for visitors of Rocky Mountain National Park
- <u>Market Share</u>: Stroudwater applied a market share of 70% for the PSA population of Estes Park and a 50% market share for visitors of Rocky Mountain National Park and downstream volumes
 - A 100% market share was not assumed as some patients will continue to receive services in a primary care setting, the Emergency Room, or outside of EPH's services

Projected Volume for Service Area											
SA Grouping of CPT Codes	2020	2021	2022	2023	2024	Growth					
Medicine SA	3,673	3,820	3,973	4,132	4,373	4%					
Labs SA	3,460	3,633	3,815	4,006	4,195	5%					
X-Ray/Fluoroscopy SA	709	744	781	820	877	5%					

Projected Volume for Service Area Assuming 70% Market Share										
SA Grouping of CPT Codes	2020	2021	2022	2023	2024	Growth				
Medicine SA	2,571	2,674	2,781	2,892	3,061	4%				
Labs SA	2,422	2,543	2,671	2,804	2,937	5%				
X-Ray/Fluoroscopy SA	496	521	547	574	614	5%				

Projected Volume from Visitors										
SA Grouping of CPT Codes	2020	2021	2022	2023	2024	Growth				
Medicine SA	3,270	3,368	3,469	3,573	3,680	3%				
Labs SA	3,110	3,266	3,429	3,600	3,780	5%				
X-Ray/Fluoroscopy SA	634	666	699	734	771	5%				

Projected Volume from Visitors Assuming 50% Market Share											
SA Grouping of CPT Codes	2020	2021	2022	2023	2024	Growth					
Medicine SA	1,635	1,684	1,735	1,787	1,840	3%					
Labs SA	1,555	1,633	1,715	1,800	1,890	5%					
X-Ray/Fluoroscopy SA	317	333	350	367	386	5%					

Total Projected Volume										
SA Grouping of CPT Codes	2020	2021	2022	2023	2024	Growth				
Medicine SA	4,206	4,358	4,516	4,679	4,901	4%				
Labs SA	3,977	4,176	4,386	4,604	4,827	5%				
X-Ray/Fluoroscopy SA	813	854	897	941	1,000	5%				

Urgent Care Clinic Assumptions



UCC Assumptions:

 <u>Payer Mix</u>: payer mix was used to allocate volumes and revenue between cost-based reimbursement payer classes (Medicare, Medicaid, and Medicare Advantage) and Fee-For-Service payer classes (commercial, private pay)

Payer	2020	2021	2022	2023	2024	Growth
Medicaid	14.8%	14.9%	14.6%	14.5%	14.5%	0.00%
Medicare	30.6%	31.2%	31.8%	32.2%	32.7%	1.74%
Commercial	50.6%	50.0%	49.3%	49.3%	48.7%	-0.84%
Self Pay/Other	4.0%	3.9%	4.3%	4.0%	4.1%	-2.69%

• Payer Mix: volume allocated by payer mix

Service	Payor		2020	2021	2022	2023	2024	Growth
	Medicaid		622	649	659	678	711	2.7%
	Medicare		1,287	1,360	1,436	1,507	1,603	4.5%
Medicine SA	Commercial		2,128	2,179	2,226	2,307	2,387	2.3%
	Self Pay/Other		168	170	194	187	201	3.7%
		Total:	4,205	4,358	4,515	4,679	4,902	3.1%
	Medicare		589	622	640	668	700	3.5%
	Medicare		1,217	1,303	1,395	1,482	1,578	5.3%
Labs SA	Commercial		2,012	2,088	2,162	2,270	2,351	3.2%
	Self Pay/Other		159	163	189	184	198	4.5%
		Total:	3,977	4,176	4,386	4,604	4,827	3.9%
	Medicaid		120	127	131	136	145	3.9%
X-Ray /	Medicare		249	266	285	303	327	5.6%
Fluoroscopy	Commercial		411	427	442	464	487	3.5%
SA	Self Pay/Other		33	33	39	38	41	4.4%
		Total:	813	853	897	941	1,000	4.2%



- UCC Assumptions (Continued):
 - Gross Revenue: was projected by marking up the Medicare Ambulatory Payment Classification (APC) Codes and Physician Fee Schedule by a factor of 2, then multiplied by projected volumes

			Gross Reveni	ne			
Service	Payor		2020	2021	2022	2023	2024
	Medicare		357,065	384,866	414,501	443,691	481,397
Medicine SA Tech	Commercial		590,392	616,635	642,535	679,227	716,840
Wedicine SA Tech	Self Pay/Other		46,610	48,108	55,998	55,057	60,362
		Total:	1,166,635	1,233,270	1,303,254	1,377,592	1,472,119
	Medicare		223,166	240,543	259,069	277,318	300,883
Medicine SA Pro	Commercial		-	-	-	-	-
Wedicine SA FIU	Self Pay/Other		-	-	-	-	-
		Total:	331,021	355,332	377,959	402,084	434,338
	Medicare		30,165	32,942	35,973	38,981	42,336
Labs SA	Commercial		49,869	52,788	55,752	59,708	63,075
Laus SA	Self Pay/Other		3,941	4,121	4,874	4,840	5,312
		Total:	115,875	124,234	133,630	143,168	153,730
	Medicaid		32,412	34,988	36,812	38,981	42,392
X-Ray /	Medicare		67,254	73,282	80,087	86,848	95,602
,	Commercial		111,009	117,638	124,205	132,995	142,380
Fluoroscopy SA	Self Pay/Other		8,913	9,091	10,959	10,892	11,987
		Total:	219,588	234,999	252,063	269,716	292,361
	TOTAL:		1,833,119	1,947,835	2,066,906	2,192,560	2,352,548



- UCC Assumptions (Continued):
 - Net Reimbursement Cost-Based Payors:
 - Medicare and Medicaid reimbursement was determined by calculating the fully allocated costs and dividing by the cost center charges to determine the Cost-to-Charge Ratio (CCR)
 - Medicare and Medicaid charges were then multiplied by the CCR to determine the Provider-Based reimbursement for the facility (technical) component and then divided by the number of visits to determine the reimbursement per visit

Medic	aid and Med	icare Provid	er-Based Rat	tes	
	2020	2021	2022	2023	2024
Medicaid Reimbursement	\$ 124,278	\$129,011	\$ 128,988	\$136,688	\$ 147,641
Medicaid Visits	622	649	659	678	711
Medicaid Rate	\$ 199.80	\$ 198.78	\$ 195.73	\$ 201.60	\$ 207.65
Medicare Reimbursement Medicare Visits	\$ 257,146 1,287	\$ 270,345 1,360	\$ 281,072 1,436	\$ 303,818 1,507	\$ 332,867 1,603
Medicare Rate	\$ 199.80	\$ 198.78	\$ 195.73	\$ 201.60	\$ 207.65

 Stroudwater used a professional fee component of \$75.00 for Medicare and Medicaid visits as the professional fee per billable unit of service

Med	icai	d and Me	edic	are Profe	essi	onal Fee	,			
		2020		2021		2022		2023		2024
Medicaid Professional Fee	\$	75.00	\$	75.75	\$	76.51	\$	77.28	\$	78.05
Medicaid Visits	_	622	_	649		659	_	678		711
Medicaid Reimbursement	\$	46,650	\$	49,162	\$	50,420	\$	52,396	\$	55,494
Medicare Professional Fee	\$	75.00	\$	75.75	\$	76.51	\$	77.28	\$	78.05
Medicare Visits		1,287		1,360		1,436		1,507		1,603
Medicare Reimbursement	\$	96,525	\$	103,020	\$	109,868	\$	116,461	\$	125,114



- UCC Assumptions (Continued):
 - <u>Net Reimbursement</u>: the following table includes both the calculated cost-based reimbursement amount for Medicare and Medicaid and the estimated commercial and self-pay reimbursement
 - This excludes a provision for bad debt and charity care

			Net Revenu	е			
Service	Payor		2020	2021	2022	2023	2024
	Medicaid		124,278	178,173	179,408	189,084	203,135
	Medicare		257,146	270,345	281,072	303,818	332,867
Medicine SA Tech	Commercial		289,408	296,344	302,736	313,752	324,632
	Self Pay/Other		22,848	23,120	26,384	25,432	27,336
		Total:	693,680	767,982	789,600	832,086	887,970
	Medicaid		46,650	49,162	50,420	52,396	55,494
	Medicare		96,525	103,020	109,868	116,461	125,114
Medicine SA Pro	Commercial		-	-	-	-	-
	Self Pay/Other		-	-	-	-	-
		Total:	143,175	152,182	160,288	168,857	180,608
	Medicaid		15,637	16,524	17,447	18,310	19,476
	Medicare		14,787	15,831	16,949	18,006	19,173
Labs SA	Commercial		24,446	25,369	26,268	27,581	28,565
	Self Pay/Other		1,932	1,980	2,296	2,236	2,406
		Total:	56,802	59,704	62,960	66,133	69,620
	Medicaid		15,888	16,815	17,344	18,006	19,198
X-Ray /	Medicare		32,968	35,218	37,734	40,117	43,295
	Commercial		54,416	56,535	58,521	61,434	64,479
Fluoroscopy SA	Self Pay/Other		4,369	4,369	5,164	5,031	5,428
		Total:	107,641	112,937	118,763	124,588	132,400
	TOTAL:		1,001,298	1,092,805	1,131,611	1,191,664	1,270,598



- UCC Assumptions (Continued):
 - <u>Labor</u>:
 - Hours of operation of the UCC are assumed as the following:

UCC Hours of Operation												
Month	January	February	March	April	May	June	July	August	September	October	November	December
Days Per Week	7	7	7	7	7	7	7	7	7	7	7	7
Hour Per Day	8	8	8	12	12	12	12	12	12	8	8	8

• Staffing Mix and Compensation was determined from client's proposed business plan and assumes the following hours of operation, staffing mix, and compensation for the model:

Cost Center		Hours of Operation								
Department	ID	Title	Facility Hours of Operation	Per Year	FTE on Shift	Worked Hours	Paid Hours	Worked FTEs	Rates	Cost Per Year
Urgent Care	89.00	APP	12 hours 50% - 8 Hours 50%	3,650	1.00	3,650	4,015	1.75	\$64.00	256,960
Urgent Care	89.00	EMT-P	12 hours 50% - 8 Hours 50%	3,650	1.00	3,650	4,015	1.75	\$28.00	112,420
Laboratory	60.00	Tech	12 hours 50% - 8 Hours 50%	3,650	1.00	3,650	4,015	1.75	\$18.00	72,270
Urgent Care	89.00	Reception	12 hours 50% - 8 Hours 50%	3,650	1.00	3,650	4,015	1.75	\$18.00	72,270
Radiology	54.00	Tech	12 hours 50% - 8 Hours 50%	3,650	1.00	3,650	4,015	1.75	\$36.00	144,540

Projected labor costs assumed 2% increases per year:

	Cost Center						
Department	ID	Title	2020	2021	2022	2023	2024
Urgent Care	89.00	APP	262,099	267,341	272,688	278,142	283,705
Urgent Care	89.00	EMT-P	114,668	116,961	119,300	121,686	124,120
Laboratory	60.00	Tech	73,715	75,189	76,693	78,227	79,792
Urgent Care	89.00	Reception	73,715	75, 189	76,693	78,227	79,792
Radiology	54.00	Tech	147,431	150,380	153,388	156,456	159,585



UCC Assumptions (Continued):

- Alarado Operating Lease:
 - Assumes operating lease will be considered as a right-of-use asset and offsetting liability at its present value discounted at a 4.25% interest rate
 - Operating lease payments will depreciate the right-of-use asset and corresponding liability
 - Assumes lease begins on February 1st, 2020
 - The P&L includes 3,000/12,200 = 24.5% of the \$427,980 per year operating lease expense
 - The following table reflects the distribution of lease cost

Service Area		Lease Cost	Lease Portion		
UCC	\$	104,855	24.50%		
Physical Therapy		140,321	32.79%		
Private Physician Offices		182,804	42.71%		
Annual Lease Cost		427,980	100.00%		

- See Appendix II for complete amortization schedule of the operating lease
- <u>Leasehold Improvements</u>:
 - Assumed \$1.5M in leasehold improvements that would be financed at 4.25% for 10 years and depreciated over the same period

Financial Projection Assumptions



- UCC Assumptions (Continued):
 - <u>CAH Cost-Based Impact</u>:
 - Due to the cost report methodology, the addition of the UCC will cause the reallocation of administrative expenses to the UCC which will reduce reimbursements received for other cost-based services
 - The following table reflects the negative cost-based impact seen for other programs

Service Area	EP	H w/out UCC	ļ	EPH w/ UCC	,	CAH Impact
Acute Care and ICU	\$	2,956,264	\$	2,925,405	\$	(30,859)
SNF Swing Beds		738,234	\$	731,906		(6,328)
OP		17,244,359	\$	17,232,528		(11,831)
Total Medicare/Medicaid	\$	20,938,857	\$	20,889,839	\$	(49,018)

Urgent Care Clinic - Profit and Loss



	Projected Year Ended 12/31/2020	Projected Year Ended 12/31/2021	Projected Year Ended 12/31/2022	Projected Year Ended 12/31/2023	Projected Year Ended 12/31/2024
OPERATING REVENUE					
Total Gross Patient Revenue	1,833,119	1,947,835	2,066,906	2,192,560	2,352,548
Contractual Adjustments					
Less - Contractual Expenses	(831,821)	(855,030)	(935,295)	(1,000,896)	(1,081,950)
Less - Bad Debt	(18,331)	(19,478)	(20,669)	(21,926)	(23,525)
Less - Charity Care	(12,282)	(13,050)	(13,848)	(14,690)	(15,762)
Net Patient Revenue	970,685	1,060,277	1,097,094	1,155,048	1,231,311
Other Operating Revenue	-	-	-	-	-
Total Operating Revenue	970,685	1,060,277	1,097,094	1,155,048	1,231,311
OPERATING EXPENSES					
Salaries and Wages	671,629	685,062	698,763	712,738	726,993
Employee Benefits	174,355	177,842	181,399	185,027	188,727
Professional and Purchased Services	-	-	-	-	-
Supplies	109,804	116,675	123,808	131,334	140,918
Utilities	64,050	64,050	64,050	64,050	64,050
Leases and Rentals	96,313	105,069	105,069	105,069	105,069
Insurance	-	-	-	-	-
Repairs and Maintenance	13,786	13,786	13,786	13,786	13,786
Depreciation	36,825	36,825	36,825	36,825	36,825
Other	5,000	5,000	5,000	5,000	5,000
Total Operating Expenses	1,171,762	1,204,309	1,228,700	1,253,829	1,281,368
OPERATING INCOME	(201,077)	(144,032)	(131,606)	(98,781)	(50,057)
NON-OPERATING INCOME (EXPENSE)					
Interest Expense	(12,645)	(13,980)	(12,624)	(11,209)	(9,733)
Investment Income	-	-	-	-	-
REV. IN EXCESS OF EXP. BEFORE CAP. CONTRIBUTIONS.	(213,722)	(158,012)	(144,230)	(109,990)	(59,790)
Capital Contributions		-	-	-	
INCREASE (DECREASE) IN NET POSITION	(213,722)	(158,012)	(144,230)	(109,990)	(59,790)
OPERATING MARGIN	-20.7%	-13.6%	-12.0%	-8.6%	-4.1%

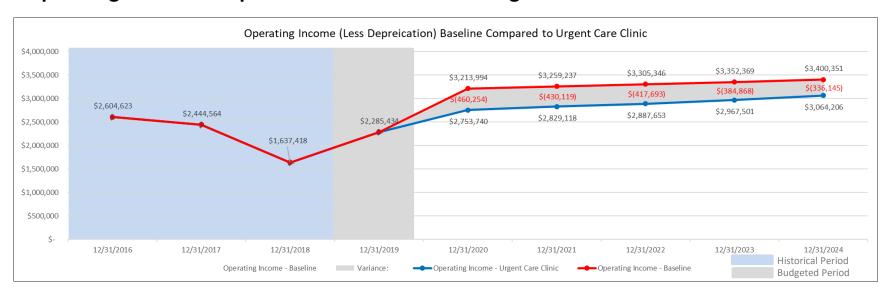
- The P&L Statement for the UCC results in operating losses throughout the projected period as volume never reaches a breakeven point based on IBM Watson Health data
 - The UCC profit and loss includes revenue and expenses attributed to the ancillary services received and provided through the expansion of services at the UCC
- Losses range between \$214K-60K per year for the projected periods
- Analysis shows that if the UCC increased the average visits from 10 per day in FY20 to 14 visits per day (additional 1,611 visits per year with proportional ancillary services), the UCC would reach breakeven

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Projected Financial Impact



Operating Income comparison of EPH Baseline & Urgent Care Clinic Scenarios



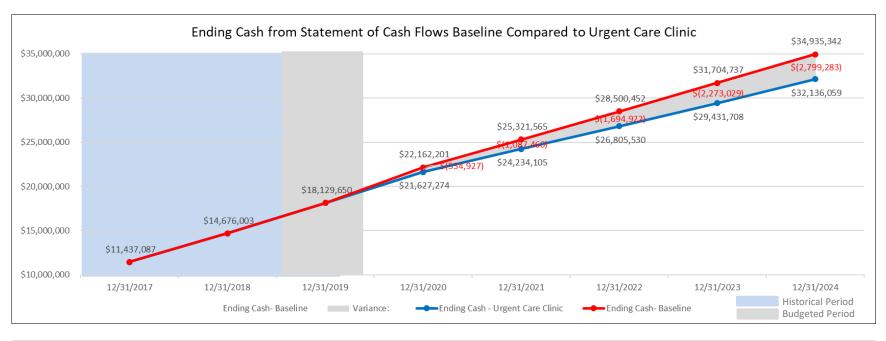
BASELINE COMPARED TO URGENT CARE CLINIC		Historical		Historical		Historical		Budgeted	F	Projected		Projected		Projected	Projected	Projected
OPERATING INCOME LESS DEPRECIATION	Υ	ear Ended	Υ	ear Ended	١	ear Ended	١	ear Ended	Υ	ear Ended	Υ	ear Ended	Υ	ear Ended	Year Ended	Year Ended
Scenario		<u> 2016</u>		<u>2017</u>		<u>2018</u>		<u> 2019</u>		<u>2020</u>		<u>2021</u>		<u> 2022</u>	<u>2023</u>	<u>2024</u>
Operating Income - Baseline	\$	2,604,623	\$	2,444,564	\$	1,637,418	\$	2,285,434	\$	3,213,994	\$	3,259,237	\$	3,305,346	\$ 3,352,369	3,400,35
Operating Income - Urgent Care Clinic	\$	2,604,623	\$	2,444,564	\$	1,637,418	\$	2,285,434	\$	2,753,740	\$	2,829,118	\$	2,887,653	\$ 2,967,501	3,064,206
Variance:	\$	-	\$	-	\$	-	\$	-	\$	(460,254)	\$	(430,119)	\$	(417,693)	\$ (384,868)	(336,14

- Overlaying operating losses of the Urgent Care Clinic Scenario on projected hospital Baseline Scenario reveals a negative delta ranging between \$460K and \$336K
- Despite the operating loss stemming from the UCC, operating margin remains positive and increases over time during the 5-year projected period
- See Appendix III for complete financials

Projected Financial Impact



Ending Cash Balances Comparing Baseline and Urgent Care Clinic Scenarios



BASELINE COMPARED TO URGENT CARE CLINIC	Historical	Historical	Budgeted	Projected	Projected	Projected	Projected	Projected
ENDING CASH VARIANCE	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
Scenario	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Ending Cash- Baseline	\$ 11,437,087	\$ 14,676,003	\$ 18,129,650	\$ 22,162,201	\$ 25,321,565	\$ 28,500,452	\$ 31,704,737	\$ 34,935,342
Ending Cash - Urgent Care Clinic	\$ 11,437,087	\$ 14,676,003	\$ 18,129,650	\$ 21,627,274	\$ 24,234,105	\$ 26,805,530	\$ 29,431,708	\$ 32,136,059
Variance:	\$ -	\$ -	\$ -	\$ (534,927)	\$ (1,087,460)	\$ (1,694,922)	\$ (2,273,029)	\$ (2,799,283)

- Overlaying projected ending cash balances from the Statement of Cash Flows of the Urgent Care Clinic Scenario on the hospital Baseline Scenario reveals that both scenarios build cash but at different rates with an accumulated variance of \$2.8M after 5 years
- See Appendix IV for complete financials

Financial Projection Key Conclusions



- The Urgent Care Clinic is projected to operate at a loss over the measured period
- Operating income (less depreciation) of EPH with the Urgent Care Clinic remains positive and can be absorbed by the hospital
- Cash accumulation builds at a slower rate under the Urgent Care Clinic Scenario resulting in an accumulated variance at \$2.8M after 5 years

Conclusions

Conclusions



- The market assessment shows a need for Urgent Care services
 - EPH should evaluate whether there services can be provided within one of their current care settings or if a separate UCC is necessary to meet patient demand
- The UCC will sustain a negative contribution margin over the measured period since expected volumes and reimbursement are not high enough to cover operational expenses associated with the UCC
 - Cash accumulation builds at a slower rate under the Urgent Care Clinic Scenario resulting in an accumulated variance at \$2.8M after 5 years
 - Despite the Urgent Care Clinic's projected operating losses, the Urgent Care Clinic should not be evaluated on its financial performance alone
 - EPH should consider the strategic initiatives and the mission of EPH of increasing access and affordability of healthcare to residents of Estes Park and surrounding communities
 - Additionally, EPH should consider the risk of competitors and how they can preserve and gain market share within their service area to ensure revenue growth and continued positive financial performance

Appendix I: Acronym List



- APC Ambulatory Payment Classification
- CAH Critical Access Hospital
- CCR Cost-to-Charge Ratio a ratio between a hospital's department total expenses and what was charge
- CHNA Community Needs Health Assessment
- CMS The Centers for Medicare and Medicaid Services
- COPs Conditions of Participation requirements a CAH must meet
- Cost-Based Reimbursement reimbursement methodology in which a CAH is reimbursed its cost from Medicare and Medicaid (in some states)
- CPT Current Procedural Terminology
- EPH Estes Park Health
- FLEX Rural Hospital Flexibility Program
- Method II Billing an optional billing method for CAHs that allows for separate technical and professional billing at enhanced reimbursement rates
- MHHI Median Household Income

- OPPS Outpatient Prospective Payment System a way in which some Medicare services are reimbursed
- PBC Provider-based Clinic
- PBE Provider-based Entity
- PSA Primary Service Area
- RHC Rural Health Clinic
- SA Service Line Grouping an internal method Stroudwater Associates developed to classify various procedures
- STAC Short-Term Acute Care Hospital
- UCC Urgent Care Clinic

Appendix II: Operating Lease Amortization



Event	Date	Amount	Number	Period	End Date
1 Lease	2/1/2020	3,493,964.80	1		
2 Lease Payment	2/1/2020	35,665.00	120	Monthly	1/1/2030

AMORTIZATION SCHEDULE - Normal Amortization

	Date 2/1/2020	Lease Payment	Interest	Principal Balance 3,493,964.80	40	1/1/2024	25 665 00	8,112.73	27 552 27 2 262 404 07	06	1/1/2028	35,665.00	2.016.07	32,648.03	819,201.82
Lease	2/1/2020	25.005.00	0.00		48	2/1/2024	35,665.00 35,665.00	8,112.73	27,552.27 2,263,101.07	96 97	2/1/2028		3,016.97 2,901.34	32,763.66	786,438.16
1		35,665.00	0.00	35,665.00 3,458,299.80	49		35,665.00	7,917.22	27,649.85 2,235,451.22			35,665.00			753,558.46
2	3/1/2020	35,665.00	12,248.15	23,416.85 3,434,882.95	50 51	3/1/2024	35,665.00	7,917.22	27,747.78 2,207,703.44	98 99	3/1/2028	35,665.00	2,785.30 2,668.85	32,879.70	720,562.31
4	4/1/2020	35,665.00	12,165.21 12,081.98	23,499.79 3,411,383.16	52	4/1/2024 5/1/2024			27,846.05 2,179,857.39	100	4/1/2028 5/1/2028	35,665.00		32,996.15	687,449.30
5	5/1/2020 6/1/2020	35,665.00 35,665.00	11,998.46	23,583.02 3,387,800.14	53	6/1/2024	35,665.00 35,665.00	7,720.33 7,621.36	27,944.67 2,151,912.72	100	6/1/2028	35,665.00 35,665.00	2,551.99 2,434.72	33,113.01 33,230.28	654,219.02
6	7/1/2020	35,665.00	11,998.46	23,666.54 3,364,133.60 23,750.36 3,340,383.24	53 54	7/1/2024	35,665.00	7,522.04	28,043.64 2,123,869.08 28,142.96 2,095,726.12	101	7/1/2028	35,665.00	2,434.72	33,230.28	620,871.05
7	8/1/2020		11,830.52		55	8/1/2024	35,665.00	7,322.04		102	8/1/2028	35,665.00	2,317.03	33,466.08	587,404.97
		35,665.00		23,834.48 3,316,548.76	56				28,242.64 2,067,483.48	103					553,820.36
8 9	9/1/2020	35,665.00	11,746.11	23,918.89 3,292,629.87		9/1/2024 10/1/2024	35,665.00	7,322.34	28,342.66 2,039,140.82	104	9/1/2028 10/1/2028	35,665.00	2,080.39	33,584.61 33,703.55	520,116.81
10	10/1/2020 11/1/2020	35,665.00	11,661.40 11,576.38	24,003.60 3,268,626.27	57 58	11/1/2024	35,665.00 35,665.00	7,221.96 7,121.22	28,443.04 2,010,697.78		11/1/2028	35,665.00 35,665.00	1,961.45 1,842.08	33,822.92	486,293.89
10	12/1/2020	35,665.00 35,665.00	11,491.07	24,088.62 3,244,537.65 24,173.93 3,220,363.72	59	12/1/2024	35,665.00	7,121.22	28,543.78 1,982,154.00 28,644.87 1,953,509.13	100	12/1/2028	35,665.00	1,722.29	33,942.71	452,351.18
2020 Totals	12/1/2020			273,601.08	2024 Totals	12/1/2024		90,835.79		2028 Totals	12/1/2028		28,481.33	399,498.67	432,331.16
2020 TOTALS		392,315.00	118,713.92	2/3,001.06	2024 TOLAIS		427,980.00	90,633.79	337,144.21	2028 TOLdIS		427,980.00	20,401.33	399,496.07	
12	1/1/2021	35,665.00	11,405.45	24,259.55 3,196,104.17	60	1/1/2025	35,665.00	6,918.68	28,746.32 1,924,762.81	108	1/1/2029	35,665.00	1,602.08	34,062.92	418,288.26
13	2/1/2021	35,665.00	11,319.54	24,345.46 3,171,758.71	61	2/1/2025	35,665.00	6,816.87	28,848.13 1,895,914.68	109	2/1/2029	35,665.00	1,481.44	34,183.56	384,104.70
14	3/1/2021	35,665.00	11,233.31	24,431.69 3,147,327.02	62	3/1/2025	35,665.00	6,714.70	28,950.30 1,866,964.38	110	3/1/2029	35,665.00	1,360.37	34,304.63	349,800.07
15	4/1/2021	35,665.00	11,146.78	24,518.22 3,122,808.80	63	4/1/2025	35,665.00	6,612.17	29,052.83 1,837,911.55	111	4/1/2029	35,665.00	1,238.88	34,426.12	315,373.95
16	5/1/2021	35,665.00	11,059.95	24,605.05 3,098,203.75	64	5/1/2025	35,665.00	6,509.27	29,155.73 1,808,755.82	112	5/1/2029	35,665.00	1,116.95	34,548.05	280,825.90
17	6/1/2021	35,665.00	10,972.80	24,692.20 3,073,511.55	65	6/1/2025	35,665.00	6,406.01	29,258.99 1,779,496.83	113	6/1/2029	35,665.00	994.59	34,670.41	246,155.49
18	7/1/2021	35,665.00	10,885.35	24,779.65 3,048,731.90	66	7/1/2025	35,665.00	6,302.38	29,362.62 1,750,134.21	114	7/1/2029	35,665.00	871.80	34,793.20	211,362.29
19	8/1/2021	35,665.00	10,797.59	24,867.41 3,023,864.49	67	8/1/2025	35,665.00	6,198.39	29,466.61 1,720,667.60	115	8/1/2029	35,665.00	748.57	34,916.43	176,445.86
20	9/1/2021	35,665.00	10,709.52	24,955.48 2,998,909.01	68	9/1/2025	35,665.00	6,094.03	29,570.97 1,691,096.63	116	9/1/2029	35,665.00	624.91	35,040.09	141,405.77
21	10/1/2021	35,665.00	10,621.14	25,043.86 2,973,865.15	69	10/1/2025	35,665.00	5,989.30	29,675.70 1,661,420.93	117	10/1/2029	35,665.00	500.81	35,164.19	106,241.58
22	11/1/2021	35,665.00	10,532.44	25,132.56 2,948,732.59	70	11/1/2025	35,665.00	5,884.20	29,780.80 1,631,640.13		11/1/2029	35,665.00	376.27	35,288.73	70,952.85
23	12/1/2021	35,665.00	10,443.43	25,221.57 2,923,511.02	71	12/1/2025	35,665.00	5,778.73	29,886.27 1,601,753.86		12/1/2029	35,665.00	251.29	35,413.71	35,539.14
2021 Totals		427,980.00	131,127.30	296,852.70	2025 Totals		427,980.00	76,224.73	351,755.27	2029 Totals		427,980.00	11,167.96	416,812.04	
24	4 /4 /2022	25.665.00	10.251.10	25 240 00 2 000 200 42	72	4 /4 /2026	25 665 00	F 672 00	20 002 42 4 574 764 74	420	4 /4 /2020	25.665.00	125.00	25 520 44	0.00
24	1/1/2022	35,665.00	10,354.10	25,310.90 2,898,200.12	72	1/1/2026	35,665.00	5,672.88	29,992.12 1,571,761.74	120	1/1/2030	35,665.00	125.86	35,539.14	0.00
25	2/1/2022	35,665.00	10,264.46	25,400.54 2,872,799.58	73	2/1/2026	35,665.00	5,566.66	30,098.34 1,541,663.40	2030 Totals		35,665.00	125.86	35,539.14	
26	3/1/2022	35,665.00	10,174.50	25,490.50 2,847,309.08	74	3/1/2026	35,665.00	5,460.06	30,204.94 1,511,458.46				705 005 00		
27	4/1/2022	35,665.00	10,084.22	25,580.78 2,821,728.30	75	4/1/2026	35,665.00	5,353.08	30,311.92 1,481,146.54	Grand Totals		4,279,800.00	/85,835.20	3,493,964.80	
28	5/1/2022	35,665.00	9,993.62	25,671.38 2,796,056.92	76	5/1/2026	35,665.00	5,245.73	30,419.27 1,450,727.27						
29	6/1/2022	35,665.00	9,902.70	25,762.30 2,770,294.62	77	6/1/2026	35,665.00	5,137.99	30,527.01 1,420,200.26						
30	7/1/2022	35,665.00	9,811.46	25,853.54 2,744,441.08	78	7/1/2026	35,665.00	5,029.88	30,635.12 1,389,565.14						
31	8/1/2022	35,665.00	9,719.90	25,945.10 2,718,495.98	79	8/1/2026	35,665.00	4,921.38	30,743.62 1,358,821.52						
32	9/1/2022	35,665.00	9,628.01	26,036.99 2,692,458.99	80	9/1/2026	35,665.00	4,812.49	30,852.51 1,327,969.01						
33	10/1/2022	35,665.00	9,535.79	26,129.21 2,666,329.78	81	10/1/2026	35,665.00	4,703.22	30,961.78 1,297,007.23						
34	11/1/2022	35,665.00	9,443.25	26,221.75 2,640,108.03	82	11/1/2026	35,665.00	4,593.57	31,071.43 1,265,935.80						
35	12/1/2022	35,665.00	9,350.38	26,314.62 2,613,793.41	83	12/1/2026	35,665.00	4,483.52	31,181.48 1,234,754.32						
2022 Totals		427,980.00	118,262.39	309,717.61	2026 Totals		427,980.00	60,980.46	366,999.54						
36	1/1/2023	35,665.00	9,257.18	26,407.82 2,587,385.59	84	1/1/2027	35,665.00	4,373.09	31,291.91 1,203,462.41						
37	2/1/2023	35,665.00	9,163.66	26,501.34 2,560,884.25	85	2/1/2027	35,665.00	4,262.26	31,402.74 1,172,059.67						
38	3/1/2023	35,665.00	9,069.80	26,595.20 2,534,289.05	86	3/1/2027	35,665.00	4,151.04	31,513.96 1,140,545.71						
39	4/1/2023	35,665.00	8,975.61	26,689.39 2,507,599.66	87	4/1/2027	35,665.00	4,039.43	31,625.57 1,108,920.14						
40	5/1/2023	35,665.00	8,881.08	26,783.92 2,480,815.74	88	5/1/2027	35,665.00	3,927.43	31,737.57 1,077,182.57						
41	6/1/2023	35,665.00	8,786.22	26,878.78 2,453,936.96	89	6/1/2027	35,665.00	3,815.02	31,849.98 1,045,332.59						
42	7/1/2023	35,665.00	8,691.03	26,973.97 2,426,962.99	90	7/1/2027	35,665.00	3,702.22	31,962.78 1,013,369.81						
43	8/1/2023	35,665.00	8,595.49	27,069.51 2,399,893.48	91	8/1/2027	35,665.00	3,589.02	32,075.98 981,293.83						
44	9/1/2023	35,665.00	8,499.62	27,165.38 2,372,728.10	92	9/1/2027	35,665.00	3,475.42	32,189.58 949,104.25						
45	10/1/2023	35,665.00	8,403.41	27,261.59 2,345,466.51	93	10/1/2027	35,665.00	3,361.41	32,303.59 916,800.66						
46	11/1/2023	35,665.00	8,306.86	27,358.14 2,318,108.37	94	11/1/2027	35,665.00	3,247.00	32,418.00 884,382.66						
47	12/1/2023	35,665.00	8,209.97	27,455.03 2,290,653.34	95	12/1/2027	35,665.00	3,132.19	32,532.81 851,849.85						
2023 Totals			104,839.93		2027 Totals		427,980.00		382,904.47						

Appendix II: Leasehold Improvements



Compound Period:		Monthly			35 1/1/2023	15,365.63	4,028.45	11,337.18 1,3		83 1/1/2027	15,365.63	1,931.65		531,971.92
					36 2/1/2023	15,365.63	3,988.29	11,377.34 1,3		84 2/1/2027	15,365.63	1,884.07	13,481.56	518,490.36
Nominal Annual Rate:		4.250%			37 3/1/2023	15,365.63	3,948.00	11,417.63 1,3		85 3/1/2027	15,365.63	1,836.32		504,961.05
					38 4/1/2023	15,365.63	3,907.56	11,458.07 1,0		86 4/1/2027	15,365.63	1,788.40	13,577.23	
					39 5/1/2023	15,365.63	3,866.98	11,498.65 1,0		87 5/1/2027	15,365.63	1,740.32		477,758.51
CASH FLOW DATA					40 6/1/2023	15,365.63	3,826.26	11,539.37 1,0		88 6/1/2027	15,365.63	1,692.06		464,084.94
					41 7/1/2023	15,365.63	3,785.39	11,580.24 1,0		89 7/1/2027	15,365.63	1,643.63	13,722.00	450,362.94
Event	Date	Amount	Number	Period	42 8/1/2023	15,365.63	3,744.37	11,621.26 1,0		90 8/1/2027	15,365.63	1,595.04	13,770.59	436,592.35
1 Loan	2/1/2020	1,500,000.00	1		43 9/1/2023	15,365.63	3,703.22	11,662.41 1,0		91 9/1/2027	15,365.63	1,546.26		,
2 Payment	3/1/2020	15,365.63	120	Monthly	44 10/1/2023	15,365.63	3,661.91	11,703.72 1,0		92 10/1/2027		1,497.32	13,868.31	408,904.67
					45 11/1/2023	15,365.63	3,620.46	11,745.17 1,0		93 11/1/2027		1,448.20	13,917.43	394,987.24
					46 12/1/2023	15,365.63	3,578.86	11,786.77	998,715.71	94 12/1/2027		1,398.91		381,020.52
AMORTIZATION SCHED	ULE - Normal	Amortization			2023 Totals	184,387.56	45,659.75	138,727.81		2027 Totals	184,387.56	20,002.18	164,385.38	
Date	Payment	Interest	Principal	Balance	47 1/1/2024	15,365.63	3,537.12	11,828.51	986.887.20	95 1/1/2028	15,365.63	1,349.45	14.016.18	367,004.34
Loan 2/1/2020	rayment	merese		1,500,000.00	48 2/1/2024	15,365.63	3,495.23		975,016.80	96 2/1/2028	15,365.63	1,299.81	14,065.82	352,938.52
1 3/1/2020	15,365.63	5,312.50		1,489,946.87	49 3/1/2024	15,365.63	3,453.18	11,912.45		97 3/1/2028	15,365.63	1,249.99	14,115.64	338,822.88
2 4/1/2020	15,365.63			1,479,858.14	50 4/1/2024	15,365.63	3,410.99	11,954.64		98 4/1/2028	15,365.63	1,200.00		324,657.25
3 5/1/2020	15,365.63			1,469,733.67	51 5/1/2024	15,365.63	3,368.66		939,152.74	99 5/1/2028	15,365.63	1,149.83	14,215.80	310,441.45
4 6/1/2020	15,365.63			1,459,573.35	52 6/1/2024	15,365.63	3,326.17	12,039.46		100 6/1/2028	15,365.63	1,099.48		296,175.30
5 7/1/2020	15,365.63			1,449,377.04	53 7/1/2024	15,365.63	3,283.53	12,082.10		101 7/1/2028	15,365.63	1,048.95		281,858.62
6 8/1/2020	15,365.63			1,439,144.62	54 8/1/2024	15,365.63	3,240.74		902,906.29	102 8/1/2028	15,365.63	998.25	14,367.38	267,491.24
7 9/1/2020	15,365.63			1,428,875.96	55 9/1/2024	15,365.63	3,197.79		890,738.45	103 9/1/2028	15,365.63	947.36		253,072.97
8 10/1/2020	15,365.63			1,418,570.93	56 10/1/2024	15,365.63	3,154.70	12,210.93		104 10/1/2028		896.30	14,469.33	238,603.64
9 11/1/2020	15,365.63			1,408,229.41	57 11/1/2024	15,365.63	3,111.45		866,273.34	105 11/1/2028		845.05	14,520.58	224,083.06
10 12/1/2020	15,365.63			1,397,851.26	58 12/1/2024	15,365.63	3,068.05		853,975.76	106 12/1/2028		793.63	14,572.00	209,511.06
2020 Totals	153,656.30			1,337,031.20	2024 Totals	184,387.56	39,647.61	144,739.95	033,373.70	2028 Totals	184,387.56	12,878.10	171,509.46	205,511.00
2020 101413	155,050.50	32,307.30	102,110.71		2024 10003	101,507.50	55,017.01	1-1,755.55		2020 101013	101,507.50	12,070.10	171,505.10	
11 1/1/2021	15,365.63	4,950.72	10,414.91	1,387,436.35	59 1/1/2025	15,365.63	3,024.50	12,341.13	841,634.63	107 1/1/2029	15,365.63	742.02	14,623.61	194,887.45
12 2/1/2021	15,365.63	4,913.84	10,451.79	1,376,984.56	60 2/1/2025	15,365.63	2,980.79	12,384.84	829,249.79	108 2/1/2029	15,365.63	690.23	14,675.40	180,212.05
13 3/1/2021	15,365.63	4,876.82	10,488.81	1,366,495.75	61 3/1/2025	15,365.63	2,936.93	12,428.70 8	816,821.09	109 3/1/2029	15,365.63	638.25	14,727.38	165,484.67
14 4/1/2021	15,365.63	4,839.67	10,525.96	1,355,969.79	62 4/1/2025	15,365.63	2,892.91	12,472.72 8	804,348.37	110 4/1/2029	15,365.63	586.09	14,779.54	150,705.13
15 5/1/2021	15,365.63	4,802.39	10,563.24	1,345,406.55	63 5/1/2025	15,365.63	2,848.73	12,516.90	791,831.47	111 5/1/2029	15,365.63	533.75	14,831.88	135,873.25
16 6/1/2021	15,365.63	4,764.98	10,600.65	1,334,805.90	64 6/1/2025	15,365.63	2,804.40	12,561.23	779,270.24	112 6/1/2029	15,365.63	481.22	14,884.41	120,988.84
17 7/1/2021	15,365.63	4,727.44	10,638.19	1,324,167.71	65 7/1/2025	15,365.63	2,759.92	12,605.71	766,664.53	113 7/1/2029	15,365.63	428.50	14,937.13	106,051.71
18 8/1/2021	15,365.63	4,689.76	10,675.87	1,313,491.84	66 8/1/2025	15,365.63	2,715.27	12,650.36	754,014.17	114 8/1/2029	15,365.63	375.60	14,990.03	91,061.68
19 9/1/2021	15,365.63	4,651.95	10,713.68	1,302,778.16	67 9/1/2025	15,365.63	2,670.47	12,695.16	741,319.01	115 9/1/2029	15,365.63	322.51	15,043.12	76,018.56
20 10/1/2021	15,365.63	4,614.01	10,751.62	1,292,026.54	68 10/1/2025	15,365.63	2,625.50	12,740.13	728,578.88	116 10/1/2029	15,365.63	269.23	15,096.40	60,922.16
21 11/1/2021	15,365.63	4,575.93	10,789.70	1,281,236.84	69 11/1/2025	15,365.63	2,580.38	12,785.25	715,793.63	117 11/1/2029	15,365.63	215.77	15,149.86	45,772.30
22 12/1/2021	15,365.63	4,537.71	10,827.92	1,270,408.92	70 12/1/2025	15,365.63	2,535.10	12,830.53	702,963.10	118 12/1/2029	15,365.63	162.11	15,203.52	30,568.78
2021 Totals	184,387.56	56,945.22	127,442.34		2025 Totals	184,387.56	33,374.90	151,012.66		2029 Totals	184,387.56	5,445.28	178,942.28	
23 1/1/2022	15,365.63			1,259,542.65	71 1/1/2026	15,365.63	2,489.66		690,087.13	119 1/1/2030	15,365.63	108.26	15,257.37	15,311.41
24 2/1/2022	15,365.63			1,248,637.90	72 2/1/2026	15,365.63	2,444.06		677,165.56	120 2/1/2030	15,365.63	54.22	15,311.41	0.00
25 3/1/2022	15,365.63			1,237,694.53	73 3/1/2026	15,365.63	2,398.29		664,198.22	2030 Totals	30,731.26	162.48	30,568.78	
26 4/1/2022	15,365.63			1,226,712.40	74 4/1/2026	15,365.63	2,352.37		651,184.96					
27 5/1/2022	15,365.63			1,215,691.38	75 5/1/2026	15,365.63	2,306.28		638,125.61	Grand Totals	1,843,875.60	343,875.60	1,500,000.00	
28 6/1/2022	15,365.63			1,204,631.32	76 6/1/2026	15,365.63	2,260.03		625,020.01					
29 7/1/2022	15,365.63			1,193,532.09	77 7/1/2026	15,365.63	2,213.61	13,152.02						
30 8/1/2022	15,365.63			1,182,393.55	78 8/1/2026	15,365.63	2,167.03		598,669.39					
31 9/1/2022	15,365.63			1,171,215.56	79 9/1/2026	15,365.63	2,120.29		585,424.05					
32 10/1/2022	15,365.63			1,159,997.99	80 10/1/2026	15,365.63	2,073.38	13,292.25						
33 11/1/2022	15,365.63			1,148,740.69	81 11/1/2026	15,365.63	2,026.30		558,792.47					
34 12/1/2022	15,365.63			1,137,443.52	82 12/1/2026	15,365.63	1,979.06	13,386.57	545,405.90					
2022 Totals	184,387.56	51,422.16	132,965.40		2026 Totals	184,387.56	26,830.36	157,557.20						



			STES PARK HEAL BALANCE SHEET						
				L YEARS 2016-2		Bustantad	Bustantad	Burdanta d	Bustanta d
	Historical	Historical	Historical	Budgeted	Projected	Projected	Projected	Projected	Projected
	Year Ended 12/31/2016	Year Ended 12/31/2017	Year Ended 12/31/2018	Year Ended 12/31/2019	Year Ended 12/31/2020	Year Ended 12/31/2021	Year Ended 12/31/2022	Year Ended 12/31/2023	Year Ended 12/31/2024
ASSETS	12/31/2010	12/31/201/	12/31/2010	12/31/2013	11/31/2020	12/31/2021	12/31/2022	12/31/2023	11/31/1014
Current Assets									
Operating Cash	\$ 11.723.993	\$ 10.006.606	\$ 13.272.797	\$ 16.169.835	\$19.766.467	\$ 22.584.304	\$ 25,419,553	\$ 28.277.455	\$ 31,158,832
Restricted Cash	1,393,507	1,396,289	\$ 1,403,206	\$ 1,959,815	\$ 2,395,734	\$ 2,737,261	\$ 3,080,899	\$ 3,427,282	
Accounts Receivable	,,	,,	, , ,		. ,,	. , . , .	,,	, ,-	, ., ., .
Net Patient	5,508,038	6,294,121	6,470,014	7,040,539	7,296,279	7,442,209	7,591,051	7,742,869	7,897,727
Property Taxes and Other	2,685,072	2,865,989	2,870,617	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593
Supplies	1,023,456	1,043,216	1,111,852	1,219,394	1,263,687	1,288,961	1,314,740	1,341,035	1,367,855
Prepaid Expenses	319,155	498,199	413,493	503,882	503,882	503,882	503,882	503,882	503,882
Total Current Assets	22,653,221	22,104,420	25,541,979	29,784,058	34,116,642	37,447,210	40,800,718	44,183,116	47,595,399
Non-Curent Cash and Investments									
Long-term Investments	10,185,503	12,555,014	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428
Internally Designated	28,468	28,468	-	-	-	-	-	-	-
Restricted by Donors	5.720	5,724	_	-	-	_	_	-	_
Total Noncurrent Cash and Investments	10,219,691	12,589,206	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428
Capital Assets									
Capital Assets Not Being Depreciated	715,035	662,791	1,175,160	1,175,160	1,175,160	1,175,160	1,175,160	1,175,160	1,175,160
Right-of-Use Assets	-	-	-	-	-	-	-	-	-
Depreciable Capital Assets	50,902,819	50,927,287	50,273,429	52.011.071	53,748,713	55,486,355	57,223,997	58,961,639	60,699,281
Accumulated Depreciation	(20,978,481)	(21,580,614)	(21,819,913)	(24,050,373)	(26,325,442)	(28,646,013)	(31,012,995)	(33,427,317)	(35,889,925
Total Capital Assets, Net	30,639,373	30,009,464	29,628,676	29,135,858	28,598,431	28,015,502	27,386,162	26,709,482	25,984,516
Other Assets									
Physician Notes Receivable	44,239	12,391	_	-	_	_	_	-	_
Deposits	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Total Other Assets	369,239	337,391	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Total Assets	\$63.881.524	\$ 65,040,481	\$ 64 401 083	\$ 68 150 344	\$71 945 501	\$ 74 693 140	\$ 77 417 308	\$ 80 122 026	\$ 82 810 343



		ES	TES PARK HEAL	тн					
			BALANCE SHEET						
				L YEARS 2016-2	-				
	Historical	Historical	Historical	Budgeted	Projected	Projected	Projected	Projected	Projected
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
LIABILITIES AND EQUITY									
Current Liabilities									
Current Maturities of Long-term Debt	\$ 1,263,582	\$ 1,034,920	\$ -	\$ -	\$ 1,060,000	\$ 1,085,000	\$ 1,105,000	\$ 1,125,000	\$ 1,145,000
Current Maturities of Operating Leases	-	-	-	-	-	-	-	-	-
Accounts Payable	913,586	1,728,566	1,215,050	1,470,796	1,500,212	1,530,216	1,560,821	1,592,037	1,623,878
Estimated Third-Party Payor Settlements	2,328,000	928,000	869,000	869,000	869,000	869,000	869,000	869,000	869,000
Accrued Expenses:									
Salaries, Wages, and Related Expenses	1,323,073	1,630,584	1,351,015	1,493,417	1,523,285	1,553,751	1,584,826	1,616,523	1,648,853
Compensated Absences	852,711	881,681	991,689	1,445,832	1,474,749	1,504,244	1,534,329	1,565,016	1,596,316
Interest	220,321	210,676	-	110,363	99,416	99,416	99,416	99,416	99,416
Other	497,243	251,238	80,563	75,512	77,022	78,562	80,133	81,736	83,37
Total Current Liabilities	7,398,516	6,665,665	4,507,317	5,464,920	6,603,684	6,720,189	6,833,525	6,948,728	7,065,834
Long Term Debt, Less Current Maturities									
Long Term Debt of Right-To-Use Assets	-	-	-	-	-	-	-	-	-
Long-term Debt	16,619,920	15,585,000	14,545,000	14,545,000	13,485,000	12,400,000	11,295,000	10,170,000	9,025,000
Total Liabilities	24.040.425	22 250 665	10.052.217	20 000 020	20 000 004	40 420 400	40 420 525	47.440.720	46,000,03
Total Liabilities	24,018,436	22,250,665	19,052,317	20,009,920	20,088,684	19,120,189	18,128,525	17,118,728	16,090,83
Deferred Inflows of Resources - Property Taxes	2,551,664	2,715,896	2,726,097	2,726,097	2,726,097	2,726,097	2,726,097	2,726,097	2,726,097
Net Position									
Net Investment in Capital Assets	12,755,871	13,389,544	15,083,676	15,590,738	16,866,576	18,142,325	19,417,970	20,693,506	21,968,93
Restricted, Expendable	1,399,227	1,402,013	1,403,206	1,594,043	1,724,488	1,854,925	1,985,350	2,115,765	2,246,169
Unrestricted	23,156,326	25,282,363	26,135,787	28,229,546	30,539,656	32,849,604	35,159,366	37,468,930	39,778,30
Total net position (deficit)	37,311,424	40,073,920	42,622,669	45,414,327	49,130,720	52,846,854	56,562,686	60,278,201	63,993,412
Total Liabilities & Equity	\$ 63.881.524	\$ 65.040.481	\$ 64.401.083	\$ 68,150,344	\$71.945.501	\$74,693,140	\$ 77.417.308	\$ 80,123,026	\$ 82,810,34



		ES	TES PARK HEALT	н					
		STATE	MENT OF OPERA	TIONS					
	HIS	TORICAL AND P	ROJECTED FISCAL	YEARS 2016-20	22				
	Historical	Historical	Historical	Budgeted	Projected	Projected	Projected	Projected	Projected
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	<u>12/31/2016</u>	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
OPERATING REVENUE									
Total Gross Patient Revenue	75,030,516	83,655,077	90,001,176	93,830,767	95,707,382	97,621,530	99,573,961	101,565,440	103,596,749
Contractual Adjustments									
Less - Contractual Expenses	(28,280,059)	(32,777,388)	(39,728,081)	(41,565,978)	(41,890,602)	(42,728,386)	(43,582,963)	(44,454,644)	(45,343,736
Less - Bad Debt	(6,369,730)	(7,127,631)	(714,907)	(1,876,615)	(957,074)	(976,215)	(995,740)	(1,015,654)	(1,035,967
Less - Charity Care	(381,923)	(171,575)	(1,114,125)		(641,239)	(654,064)	(667,146)	(680,488)	(694,098
Net Patient Revenue	39,998,804	43,578,483	48,444,063	50,388,174	52,218,467	53,262,865	54,328,112	55,414,654	56,522,948
Other Operating Revenue	1,010,211	1,058,721	868,678	875,430	953,260	953,260	953,260	953,260	953,260
Total Operating Revenue	41,009,015	44,637,204	49,312,741	51,263,604	53,171,727	54,216,125	55,281,372	56,367,914	57,476,208
OPERATING EXPENSES									
Salaries and Wages	18,883,584	19,967,773	20,941,930	20,713,135	21,127,398	21,549,946	21,980,945	22,420,563	22,868,975
Employee Benefits	4,787,483	4,979,016	5,780,813	8,233,670	8,398,343	8,566,310	8,737,636	8,912,389	9,090,637
Professional and Purchased Services	7,158,985	8,459,130	10,902,501	11,008,907	11,229,085	11,453,667	11,682,740	11,916,395	12,154,723
Supplies	4,238,859	4,986,052	5,715,814	5,089,912	5,191,710	5,295,544	5,401,455	5,509,484	5,619,674
Utilities	468,752	494,453	550,420	465,856	475,173	484,677	494,370	504,258	514,343
Leases and Rentals	185,114	244,122	318,845	269,862	275,259	280,764	286,380	292,107	297,949
Insurance	242,433	277.684	292,015	247,150	252,093	257.135	262,278	267,523	272,874
Repairs and Maintenance	175,137	220,786	252,549	213,752	218,027	222,388	226,835	231,372	235,999
Depreciation	2,478,680	2,330,313	2,068,917	2,230,460	2,275,069	2.320.571	2,366,982	2,414,322	2,462,608
Other	2,264,045	2,563,624	2,920,436	2,735,926	2,790,645	2,846,457	2,903,387	2,961,454	3,020,683
Total Operating Expenses	40,883,072	44,522,953	49,744,240	51,208,630	52,232,802	53,277,459	54,343,008	55,429,867	56,538,465
OPERATING INCOME	125,943	114,251	(431,499)	54,974	938,925	938,666	938,364	938,047	937,743
NON-OPERATING INCOME (EXPENSE)									
Property Tax Revenue	2,680,268	2,725,660	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593
Interest Expense	(691,627)	(432,885)	(409,376)	(411,187)	(370,403)	(370,403)	(370,403)	(370,403)	(370,403
Total Nonoperating Revenues, Net	2,090,817	2,540,049	2,888,666	2,721,407	2,762,191	2,762,191	2,762,191	2,762,191	2,762,191
REV. IN EXCESS OF EXP. BEFORE CAP. CONTRIBUTIONS.	2,216,760	2,654,300	2,457,167	2,776,381	3,701,116	3,700,857	3,700,555	3,700,238	3,699,934
Capital Contributions	371,670	108,196	91,582	15,277	15,277	15,277	15,277	15,277	15,27
INCREASE (DECREASE) IN NET POSITION	2,588,430	2,762,496	2,548,749	2,791,658	3,716,393	3,716,134	3,715,832	3,715,515	3,715,211
OPERATING MARGIN	0.3%	0.3%	-0.9%	0.1%	1.8%	1.7%	1.7%	1.7%	1.69



	STATE	TES PARK HEALT	.ows					
	HISTORICAL AND PE Historical Year Ended 12/31/2017	ROJECTED FISCAL Historical Year Ended <u>12/31/2018</u>	PEARS 2016-203 Budgeted Year Ended 12/31/2019	22 Projected Year Ended 12/31/2020	Projected Year Ended 12/31/2021	Projected Year Ended 1/1/2022	Projected Year Ended 1/2/2022	Projected Year Ended 1/3/2022
CASH FLOWS FROM OPERATING ACTIVITIES								
Net Cash Provided by Operating Activities	948,047	648,074	2,344,242	3,003,672	3,179,538	3,224,061	3,269,459	3,315,779
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Net Cash Provided by Noncapital Financing Activities	2,767,213	3,060,377	2,958,798	2,958,798	2,958,798	2,958,798	2,958,798	2,958,798
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Net Cash Used by Capital and Related	(3,296,282)	(4,371,308)	(2,023,189)	(2,103,715)	(3,152,768)	(3,177,768)	(3,197,768)	(3,217,76
CASH FLOWS FROM INVESTING ACTIVITIES								
Net Cash Used by Investing Activities	(2,133,579)	3,901,773	173,796	173,796	173,796	173,796	173,796	173,796
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,714,601)	3,238,916	3,453,647	4,032,551	3,159,364	3,178,887	3,204,285	3,230,605
Cash and Cash Equivalents - Beginning of Year	13,151,688	11,437,087	14,676,003	18,129,650	22,162,201	25,321,565	28,500,452	31,704,73
CASH AND CASH EQUIVALENTS - END OF YEAR	11,437,087	14,676,003	18,129,650	22,162,201	25,321,565	28,500,452	31,704,737	34,935,34



			TES PARK HEALT	TH					
	ш		BALANCE SHEET ROJECTED FISCA	VEARS 2016 20	122				
	Historical	Historical	Historical	Budgeted	Projected	Projected	Projected	Projected	Projected
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
ASSETS	12/01/2010	12/01/201/	12/01/2010	12/01/2013	12/02/2020	12/01/2021	12/02/2022	12/01/2020	<u> </u>
Current Assets									
Operating Cash	\$ 11,723,993	\$ 10,006,606	\$ 13,272,797	\$ 16,169,835	\$ 19,289,366	\$ 21,614,398	\$ 23,907,852	\$ 26,250,140	\$ 28,662,151
Restricted Cash	1,393,507	1,396,289	\$ 1,403,206	\$ 1,959,815		\$ 2,619,707	\$ 2,897,678		\$ 3,473,908
Accounts Receivable	, ,								
Net Patient	5,508,038	6,294,121	6,470,014	7,040,539	7,431,909	7,590,357	7,744,344	7,904,260	8,069,773
Property Taxes and Other	2,685,072	2,865,989	2,870,617	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593
Supplies	1,023,456	1,043,216	1,111,852	1,219,394	1,287,177	1,314,620	1,341,290	1,368,987	1,397,653
Prepaid Expenses	319,155	498,199	413,493	503,882	503,882	503,882	503,882	503,882	503,882
Total Current Assets	22,653,221	22,104,420	25,541,979	29,784,058	33,740,835	36,533,557	39,285,639	42,099,430	44,997,960
Non-Curent Cash and Investments									
Long-term Investments	10,185,503	12,555,014	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428
Internally Designated	28,468	28,468	-	-	-	-	-	-	-
Restricted by Donors	5,720	5,724		-	-	-	-		-
Total Noncurrent Cash and Investments	10,219,691	12,589,206	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428	8,905,428
Capital Assets									
Capital Assets Not Being Depreciated	715,035	662,791	1,175,160	1,175,160	1,175,160	1,175,160	1,175,160	1,175,160	1,175,160
Right-of-Use Assets	-		-	-	3,493,965	3,493,965	3,493,965	3,493,965	3,493,965
Depreciable Capital Assets	50,902,819	50,927,287	50,273,429	52,011,071	55,248,713	56,986,355	58,723,997	60,461,639	62,199,281
Accumulated Depreciation	(20,978,481)	(21,580,614)	(21,819,913)	(24,050,373)	(26,635,868)	(29,290,117)	(32,003,642)	(34,777,929)	(37,614,506
Total Capital Assets, Net	30,639,373	30,009,464	29,628,676	29,135,858	33,281,970	32,365,363	31,389,480	30,352,835	29,253,900
Other Assets									
Physician Notes Receivable	44,239	12,391	-	-	-	-	-	-	-
Deposits	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Total Other Assets	369,239	337,391	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Total Assets	\$ 63,881,524	\$ 65,040,481	\$ 64,401,083	\$ 68.150.344	\$ 76,253,233	\$ 78.129.348	\$ 79.905.547	\$ 81,682,693	\$ 83,482,288



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			STES PARK HEAL							
BALANCE SHEET HISTORICAL AND PROJECTED FISCAL YEARS 2016-2022										
		Historical Historical Historical Budgeted Projected Proj								
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Projected Year Ended	
	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	
LIABILITIES AND EQUITY	12/01/2010	12/01/201/	12/01/2010	12/01/2013	12/01/2020	12/01/2021	12/01/2022	12/01/2020	12/01/2021	
Current Liabilities										
Current Maturities of Long-term Debt	\$ 1,263,582	\$ 1,034,920	\$ -	\$ -	\$ 1,116,945	\$ 1,217,965	\$ 1,243,728	\$ 1,263,728	\$ 1,296,013	
Current Maturities of Operating Leases	-	-	-	-	296,853	309,718	323,140	337,144	351,755	
Accounts Payable	913,586	1,728,566	1,215,050	1,470,796	1,543,162	1,576,290	1,607,418	1,639,187	1,671,731	
Estimated Third-Party Payor Settlements	2,328,000	928,000	869,000	869,000	869,000	869,000	869,000	869,000	869,000	
Accrued Expenses:										
Salaries, Wages, and Related Expenses	1,323,073	1,630,584	1,351,015	1,493,417	1,571,710	1,603,144	1,635,207	1,667,911	1,701,269	
Compensated Absences	852,711	881,681	991,689	1,445,832	1,505,366	1,535,473	1,566,183	1,597,506	1,629,456	
Interest	220,321	210,676	-	110,363	113,241	114,700	113,218	111,671	110,058	
Other	497,243	251,238	80,563	75,512	77,160	78,700	80,271	81,874	83,509	
Total Current Liabilities	7,398,516	6,665,665	4,507,317	5,464,920	7,093,437	7,304,990	7,438,165	7,568,021	7,712,791	
Long Term Debt, Less Current Maturities										
Long Term Debt of Right-To-Use Assets		-	-	-	2,923,511	2,613,793	2,290,653	1,953,509	1,601,754	
Long-term Debt	16,619,920	15,585,000	14,545,000	14,545,000	14,928,055	13,710,090	12,466,362	11,202,634	9,906,621	
Total Liabilities	24.040.426	22 250 665	40.052.247	20 000 020	24.045.002	22 620 072	22 405 400	20 724 464	40 224 466	
Total Liabilities	24,018,436	22,250,665	19,052,317	20,009,920	24,945,003	23,628,873	22,195,180	20,724,164	19,221,166	
Deferred Inflows of Resources - Property Taxes	2,551,664	2,715,896	2,726,097	2,726,097	2,726,097	2,726,097	2,726,097	2,726,097	2,726,097	
Net Position										
Net Investment in Capital Assets	12,755,871	13,389,544	15,083,676	15,590,738	16,678,246	17,774,144	18,876,100	19,991,194	21,124,974	
Restricted, Expendable	1,399,227	1,402,013	1,403,206	1,594,043	1,705,233	1,817,281	1,929,948	2,043,958	2,159,879	
Unrestricted	23,156,326	25,282,363	26,135,787	28,229,546	30,198,654	32,182,953	34,178,222	36,197,280	38,250,172	
Total net position (deficit)	37,311,424	40,073,920	42,622,669	45,414,327	48,582,133	51,774,378	54,984,270	58,232,432	61,535,025	
Total Liabilities & Equity	\$ 63,881,524	\$ 65,040,481	\$ 64,401,083	\$ 68.150.344	\$ 76.253.233	\$ 78,129,348	\$ 79,905,547	\$ 81,682,693	\$ 83,482,288	



			TES PARK HEALT						
			MENT OF OPERA						
	ш	TORICAL AND P			22				
	Historical	Historical	Historical	Budgeted	Projected	Projected	Projected	Projected	Projected
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
OPERATING REVENUE									
Total Gross Patient Revenue	75,030,516	83,655,077	90,001,176	93,830,767	97,540,501	99,569,365	101,640,867	103,758,000	105,949,297
Contractual Adjustments									
Less - Contractual Expenses	(28,280,059)	(32,777,388)	(39,728,081)	(41,565,978)	(42,722,423)	(43,583,416)	(44,518,258)	(45,455,540)	(46,425,686)
Less - Bad Debt	(6,369,730)	(7,127,631)	(714,907)	(1,876,615)	(975,405)	(995,693)	(1,016,409)	(1,037,580)	(1,059,492)
Less - Charity Care	(381,923)	(171,575)	(1,114,125)		(653,521)	(667,114)	(680,994)	(695,178)	(709,860)
Net Patient Revenue	39,998,804	43,578,483	48,444,063	50,388,174	53,189,152	54,323,142	55,425,206	56,569,702	57,754,259
Other Operating Revenue	1,010,211	1,058,721	868,678	875,430	953,260	953,260	953,260	953,260	953,260
Total Operating Revenue	41,009,015	44,637,204	49,312,741	51,263,604	54,142,412	55,276,402	56,378,466	57,522,962	58,707,519
OPERATING EXPENSES									
Salaries and Wages	18,883,584	19,967,773	20,941,930	20,713,135	21,799,027	22,235,008	22,679,708	23,133,301	23,595,968
Employee Benefits	4.787.483	4,979,016	5.780.813	8,233,670	8.572.698	8.744.152	8,919,035	9.097.416	9,279,364
Professional and Purchased Services	7,158,985	8,459,130	10,902,501	11,008,907	11,229,085	11,453,667	11,682,740	11,916,395	12,154,723
Supplies	4,238,859	4,986,052	5,715,814	5,089,912	5,301,514	5,412,219	5,525,263	5,640,818	5,760,592
Utilities	468,752	494,453	550,420	465,856	539,223	548,727	558,420	568,308	578,393
Leases and Rentals	185,114	244,122	318,845	269,862	667,574	708,745	714,361	720,088	725,931
Insurance	242.433	277.684	292.015	247.150	252,093	257.135	262,278	267,523	272,874
Repairs and Maintenance	175,137	220,786	252,549	213,752	231,813	236,174	240,621	245,158	249,785
Depreciation	2,478,680	2,330,313	2,068,917	2,230,460	2,311,894	2,357,396	2,403,807	2,451,147	2,499,433
Other	2,264,045	2,563,624	2,920,436	2,735,926	2,795,645	2,851,457	2,908,387	2,966,454	3,025,683
Total Operating Expenses	40,883,072	44,522,953	49,744,240	51,208,630	53,700,566	54,804,680	55,894,620	57,006,608	58,142,746
OPERATING INCOME	125,943	114,251	(431,499)	54,974	441,846	471,722	483,846	516,354	564,773
NON-OPERATING INCOME (EXPENSE)									
Property Tax Revenue	2,680,268	2,725,660	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593	2,890,593
Interest Expense	(691,627)	(432,885)	(409,376)	(411,187)	(421,911)	(427,348)	(421,825)	(416,063)	(410,051)
Total Nonoperating Revenues, Net	2,090,817	2,540,049	2,888,666	2,721,407	2,710,683	2,705,246	2,710,769	2,716,531	2,722,543
REV. IN EXCESS OF EXP. BEFORE CAP. CONTRIBUTIONS.	2,216,760	2,654,300	2,457,167	2,776,381	3,152,529	3,176,968	3,194,615	3,232,885	3,287,316
Capital Contributions	371,670	108,196	91,582	15,277	15,277	15,277	15,277	15,277	15,277
INCREASE (DECREASE) IN NET POSITION	2,588,430	2,762,496	2,548,749	2,791,658	3,167,806	3,192,245	3,209,892	3,248,162	3,302,593
OPERATING MARGIN	0.3%	0.3%	-0.9%	0.1%	0.8%	0.9%	0.9%	0.9%	1.0%



ESTES PARK HEALTH STATEMENT OF CASHFLOWS HISTORICAL AND PROJECTED FISCAL YEARS 2016-2022										
	Historical Year Ended 12/31/2017	Historical Year Ended 12/31/2018	Budgeted Year Ended 12/31/2019	Projected Year Ended 12/31/2020	Projected Year Ended 12/31/2021	Projected Year Ended 1/1/2022	Projected Year Ended 1/2/2022	Projected Year Ended 1/3/2022		
CASH FLOWS FROM OPERATING ACTIVITIES										
Net Cash Provided by Operating Activities	948,047	648,074	2,344,242	2,506,428	2,739,436	2,802,468	2,877,287	2,969,514		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Net Cash Provided by Noncapital Financing Activities	2,767,213	3,060,377	2,958,798	2,958,798	2,958,798	2,958,798	2,958,798	2,958,79		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Net Cash Used by Capital and Related	(3,296,282)	(4,371,308)	(2,023,189)	(2,141,398)	(3,265,199)	(3,363,637)	(3,383,703)	(3,397,75		
CASH FLOWS FROM INVESTING ACTIVITIES										
Net Cash Used by Investing Activities	(2,133,579)	3,901,773	173,796	173,796	173,796	173,796	173,796	173,79		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,714,601)	3,238,916	3,453,647	3,497,624	2,606,831	2,571,425	2,626,178	2,704,35		
Cash and Cash Equivalents - Beginning of Year	13,151,688	11,437,087	14,676,003	18,129,650	21,627,274	24,234,105	26,805,530	29,431,70		
CASH AND CASH EQUIVALENTS - END OF YEAR	11,437,087	14,676,003	18,129,650	21,627,274	24,234,105	26,805,530	29,431,708	32,136,059		



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