



**Nassau University Medical Center  
A. Holly Patterson Extended Care Facility  
Family Health Centers**



**NASSAU HEALTH CARE CORPORATION  
& SUBSIDIARIES**

**OPERATING BUDGET**

**FISCAL YEAR ENDED DECEMBER 31, 2012**

**Approved:** February 7, 2012

**Nassau Health Care Corporation and Subsidiaries**  
**Operating Budget For Twelve Months Ending December 31, 2012**  
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## EXECUTIVE SUMMARY

The Nassau Health Care Corporation (NHCC) produced its first ever operating surplus's for calendar years ending December 31, 2009 and 2010. This outstanding result for NHCC was achieved through an extensive list of revenue cycle initiatives, supply chain initiatives, staffing efficiencies, information technology upgrades, faculty practice plan realignment, and various program enhancements for a prospective annual impact in excess of \$281 million over the last ten years.

NHCC's 2011 operating budget called for an operating deficit of approximately \$8.8 million and management's current projection is an operating deficit of approximately \$25.8 million. The underperformance in 2011 was attributable to revenue shortfalls from the loss of the Nassau County Correctional Center contract in June of 2011 without a concomitant reduction of expenses, along with shortfalls from anticipated revenue increases from initiatives surrounding the Hospitalist Program, Neurosurgery, Plastics, Cardiology and Anesthesia. Although these initiatives have been successful, they have not produced to the level assumed in the 2011 budget. The hospitalist program commenced July 1, 2010 and is still having a significant positive impact in average daily census, length of stay, discharge volumes, medical record documentation and coding, and Part B physician billing improvements. NHCC also secured a full-time neurosurgeon during 2010, whose inpatient and ambulatory cases remain profitable for NHCC. NHCC entered into an arrangement with North American Partners in Anesthesia (NAPA, an independent, Long Island based, 300+ physician group). This arrangement has been successful and has improved efficiencies in the operating rooms and has improved reimbursement. Cardiology has been completely restructured in 2010 through an arrangement with NS/LIJ and has shown continued growth throughout 2011.

## EXECUTIVE SUMMARY (Continued)

The 2012 operating budget is expected to produce a \$1.7 million operating gain in spite of continued pension increases of approximately \$8.4 million, health insurance premium increases of approximately \$1.8 million and reductions to Intergovernmental Transfer payments of \$10 million. NHCC's projected \$1.7 million gain (loss) for 2012, before "Other Operating Items" is divided among the enterprises as follows: Nassau University Medical Center ("NUMC") \$0.2 million, A. Holly Patterson Extended Care Facility ("AHPECF") \$0.3 million, the Community Health Centers ("CHC's") \$0.2 million and NHCC, Ltd. ("LTD") \$1.0 million.

Revenue cycle improvements have been an ongoing initiative and NHCC has made improvements going into 2012 in its charge master, managed care contracting rates and denial management. In order to be conservative, the 2012 budget includes \$2.0 million of new revenue from these initiatives. Similarly, information technology enhancements are an ongoing and continuous process and NHCC has made tremendous strides in 2011 in automating its ambulatory and emergency room department medical record and financial systems through a contract it entered into with Allscripts/Eclipsys. This automation complements the Eclipsys and Siemens products on the inpatient side and prepares NHCC for Medicare's meaningful use definition and qualifies NHCC for enhanced reimbursement for both Medicare and Medicaid in 2012 from the American Reinvestment and Recovery Act ("ARRA"). NHCC has successfully attested to Meaningful Use for New York State Medicaid during December, 2011 and will attest for Medicare in January 2012 after completion of the 90 day attestation period which ended December 31, 2011. NHCC is also aggressively attesting for its physician providers during the first quarter of 2012. The 2012 Budget includes \$6.2 million of revenue from the ARRA funds.

## EXECUTIVE SUMMARY (Continued)

The 2012 budget (“budget”), after trending revenues and expenses accordingly and assuming relatively consistent patient volumes compared to 2011, results in a baseline deficit of approximately \$58.6 million (“the baseline gap.”). Management has identified approximately \$60.3 million of gap closing revenue and expense initiatives to essentially produce a \$1.7 million budget gain for 2011. Historically, NHCC management was successful in achieving approximately \$281 million of its previous year’s initiatives, which have cumulatively yielded ongoing bottom line improvement. The values of these past initiatives by year are: \$36 million in 2001, \$26 million in 2002, \$40 million in 2003, \$51 million in 2004, \$18 million in 2005, \$15 million in 2006, \$24 million in 2007, \$21 million in 2008, \$29 million in 2009, \$11 million in 2010 and approximately \$10 million in 2011.

NHCC is budgeted to produce a consolidated baseline net loss of \$58.6 million during fiscal year 2012 before revenue and expense initiatives, and \$1.7 million gain after the successful implementation of such initiatives (before non-cash items including: 1) change in fair value of derivative instruments and 2) amortization of refunding loss and 3) other post-employment benefits.

Consolidated cash flow from operations is budgeted at positive \$16.1 million. Investment income is projected to generate \$0.1 million, and budgeted capital expenditures from operations are projected at \$16.1 million, resulting in a projected ending unrestricted cash balance of \$.7 million.

## EXECUTIVE SUMMARY (Continued)

The 2012 budget will be an ongoing process and is presented as a working document. Management will be continually reviewing areas of possible expense reduction and revenue enhancement throughout the year. To assure fiscal responsibility and accountability on behalf of NHCC, all expenditures and staffing requirements as presented in this budget will be subject to the review, evaluation and approval of management.

## FACILITY SPECIFIC ASSUMPTIONS

### Nassau University Medical Center

#### Revenue Assumptions

Baseline patient day and discharge volumes for fiscal 2012 are projected on the basis of 12 months of actual utilization in fiscal 2011, reflect seasonal fluctuations within the inpatient service areas and are adjusted for one additional day's volume for the 2012 Leap Year. The budget assumes that fiscal 2012 volume will remain consistent with 2011.

<b>Year</b>	<b>DISCHARGE VOLUMES</b>	<b>% CHANGE FROM PREVIOUS YEAR</b>
2006	22,500	(1.72%)
2007	23,175	3.00%
2008	23,883	3.06%
2009	23,861	(0.09%)
2010	23,299	(2.36%)
2011 Projected	24,108	3.47%
2012 Budget	24,173	0.00%

Net Patient service revenue is projected to increase by \$10.2 million over projected 2011 revenue. The increase is related to the trend on Medicare reimbursement rates of \$1.0 million, increased Medicaid reimbursements for revised capital of \$0.7 million, increased Casemix index of \$1.3 million, New Transition II funding from NYS of \$4.6 Million, \$0.6 million for increased volume (Leap Year) and increased revenue from enhanced denial management of \$2.0 million.

Medicaid and Medicare case mix indexes ("CMI") are budgeted at .96 and 1.34, respectively, which is slightly higher than the 2011 level of .95 for Medicaid and 1.31 for Medicare and accounts for the \$1.3 million revenue increase noted above.

## FACILITY SPECIFIC ASSUMPTIONS

### **Nassau University Medical Center (Continued)**

#### **Expense Assumptions**

Salary and Fringe Benefit expense has been budgeted at \$260.0 million, a decrease of \$26.3 million from the 2011 projected actual. Staffing reductions and a zero rate increase effective January 1, 2012, offset by a step increase throughout 2012, along with the anticipated fringe benefit growth accounts for the increase.

Supplies expense and general expenses are projected to decrease by \$5.2 million or 5.6% from the 2011 projected actual. Contract reductions offset by an overall inflation factor of 2.0% on general expenses and a 5% inflation factor on Pharmaceuticals have been factored into the 2011 Budget.

Utilities are projected to increase \$0.2 million or 1.3% from the 2011 projected actual.

Depreciation expense is projected based upon historical information with consideration given to the current and future capital expenditure requirements.

Interest expense is projected utilizing actual amortization amounts relating to the direct pay letters of credit in place as of April 2009, the synthetic rate swap arrangements put in place in October 2004 and \$33.7 million bond redemption in 2008.

Bad Debt expense is budgeted at \$36.3 million, which represents 11.08% of total patient revenue compared with 11.33% projected for 2011. This decrease is direct impact of the denial management revenue cycle initiative.

## FACILITY SPECIFIC ASSUMPTIONS

### A. Holly Patterson Extended Care Facility

#### Revenue Assumption

Occupancy levels are budgeted at 96.3%, or an average daily census (ADC) of 567 for 2012. This compares to 95.3% or an ADC of 561 projected for 2011.

Operating Revenue is projected to increase by \$2,086,000. The revenue increase consists of:

1) Medicaid Rate Rebasing and Casemix	\$ 2,116,000
2) Statewide Pricing	771,000
3) Volume increase	814,000
4) Medicare Rate	1,457,000
5) Bedhold lost in 2011	134,000
6) IGT payment	(3,172,000)
7) Investment Income & Other	<u>(34,000)</u>
Total	<u>\$ 2,086,000</u>

#### Expense Assumptions

Salary and Fringe Benefit expense has been budgeted at \$42.9 million, a decrease of \$285,000 from the 2011 projected actual. A decrease of 7 FTE's and a zero rate increase effective January 1, 2012, offset by a step increase throughout 2012 accounts for this decrease.

Supplies expense and General expenses are budgeted to increase \$.63 million or 5.6% from the 2011 projected actual.

Utilities are projected to increase \$.1 million or 5.3% from the 2011 projected actual.

## FACILITY SPECIFIC ASSUMPTIONS

### Community Health Centers

#### Revenue Assumptions

Visit volumes for fiscal 2012 are based on the 2011 projected visit volumes increased for the additional Dental Services to be provided in 2012.

<b>Year</b>	<b>Visits</b>	<b>% CHANGE FROM PREVIOUS YEAR</b>
2006	65,415	0.5%
2007	69,128	5.7%
2008	78,897	14.1%
2009	78,488	(0.5%)
2010	73,386	(6.5%)
2011 Projected	70,936	(3.3%)
2012 Budgeted	74,613	5.2%

Operating revenue is projected to increase by \$2.9 million over projected 2011 revenue. \$1 million of this increase is attributable to the expansion of Dental services, \$1.6 million is attributable to improved payor mix due to the implementation of a new system for registration, billing and Electronic Health Records (eClinical Works) and \$300,000 of the increase is attributed to State Aid. The system implementation will improve front end insurance eligibility and improve the collectability of patient encounters.

#### Expenses

Salary and Fringe Benefit expense has been budgeted at \$10.8 million, an increase of \$881,000 from the 2011 projected level. An Increase of 8 Full Time equivalents in 2012, a zero rate increase effective January 1, 2012, and a step increase throughout 2012, along with the anticipated fringe benefit changes account for the increase.

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**SECTION TWO**

**OPERATING BUDGET**

**FISCAL YEAR ENDED DECEMBER 31, 2012**

**COMPARATIVE FINANCIAL STATEMENT  
PRESENTATION**

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Consolidated**

**Comparative**

(In Thousands)

	<b>Audited *</b> <b>FYE</b> <b>12/31/2006</b>	<b>Audited *</b> <b>FYE</b> <b>12/31/2007</b>	<b>Audited *</b> <b>FYE</b> <b>12/31/2008</b>	<b>Audited *</b> <b>FYE</b> <b>12/31/2009</b>	<b>Audited *</b> <b>FYE</b> <b>12/31/2010</b>	<b>Projected</b> <b>FYE</b> <b>12/31/2011</b>	<b>Budgeted</b> <b>FYE</b> <b>12/31/2012</b>
<b>Operating Revenues:</b>							
Net patient service revenue	383,494	397,313	401,862	398,028	411,255	401,054	418,847
NYS Intergovernmental transfer	41,625	31,144	41,664	73,351	75,372	53,159	43,031
Nassau County Billings	28,480	33,068	41,383	41,922	40,448	38,059	22,944
Historical Mission Payments	2,808	16,064	18,000	18,000	18,000	18,000	18,000
Federal & State Aid	3,560	8,449	9,651	10,017	6,234	7,090	9,561
Practice Plan Revenue	665	-	-	-	-	-	-
Investment Income	4,317	5,148	2,802	1,007	1,025	1,280	1,152
Miscellaneous	13,958	14,120	16,408	19,381	21,055	20,452	19,008
<b>Total operating revenue</b>	<b>478,907</b>	<b>505,306</b>	<b>531,770</b>	<b>561,706</b>	<b>573,389</b>	<b>539,094</b>	<b>532,543</b>
<b>Operating Expenses:</b>							
Salaries	218,299	229,099	251,404	258,001	255,315	253,868	220,837
Fringe Benefits	67,095	80,342	85,149	89,114	94,852	96,220	101,305
Supplies	23,101	23,737	26,507	25,535	28,787	28,743	34,898
Expenses	77,718	77,682	87,767	89,000	96,460	90,994	80,516
Utilities	21,934	21,432	23,393	22,222	21,553	22,209	22,593
Depreciation Expense	15,549	15,712	16,451	17,868	18,663	18,626	19,116
Interest & Amortization	13,271	11,540	13,678	13,092	12,046	14,233	11,004
Bad Debt Expense	53,936	50,624	50,900	46,044	45,203	39,961	40,562
<b>Total operating expenses</b>	<b>490,903</b>	<b>510,168</b>	<b>555,249</b>	<b>560,876</b>	<b>572,879</b>	<b>564,854</b>	<b>530,831</b>
<b>Gain (Loss) From Operations</b>	<b>(11,996)</b>	<b>(4,862)</b>	<b>(23,479)</b>	<b>830</b>	<b>510</b>	<b>(25,760)</b>	<b>1,712</b>
<b>Other Operating Items:</b>							
Other Post Employment Benefits	-	(42,482)	(38,385)	(39,370)	(42,585)	(41,424)	(41,832)
Change in Derivative Instruments	3,498	(7,181)	(33,616)	21,912	(7,758)	(19,186)	44,011
Grants for Capital Asset Acquisition	-	20,773	71,888	42,768	13,794	-	-
Third Party Retro Rate Adjustment	-	-	10,286	(15,572)	-	-	-
Amortization of Refunding Loss	(2,353)	(2,334)	(2,308)	(2,317)	(2,301)	(2,141)	(2,179)
<b>Total Other Operating Items</b>	<b>1,145</b>	<b>(31,224)</b>	<b>7,865</b>	<b>7,421</b>	<b>(38,850)</b>	<b>(62,751)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>(10,851)</b>	<b>(36,086)</b>	<b>(15,614)</b>	<b>8,251</b>	<b>(38,340)</b>	<b>(88,511)</b>	<b>1,712</b>

\* Captive not eliminated / NHCFC Eliminated

**Nassau Health Care Corporation and Subsidiaries**  
**Budgeted Revenue & Expenses**  
**Consolidated**

For the twelve months ended 12/31/12  
(In Thousands)

	2012 Budgeted												2012	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2011	12/31/2010
<b>Operating Revenues:</b>															
Net patient service revenue	35,538	33,034	36,384	34,791	35,124	35,976	35,119	36,681	34,696	34,985	34,025	32,494	418,847	401,054	411,255
NYS Intergovernmental transfer	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,586	3,585	3,586	3,586	3,586	43,031	53,159	75,372
Nassau County Billings	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	22,944	38,059	40,448
Historical Mission Payments	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	18,000	18,000
Federal & State Aid	280	280	280	280	3,280	280	280	280	280	280	280	3,481	9,561	7,090	6,234
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	96	96	96	96	96	96	96	96	96	96	96	96	1,152	1,280	1,025
Miscellaneous	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	19,008	20,452	21,055
<b>Total operating revenue</b>	<b>44,496</b>	<b>41,992</b>	<b>45,342</b>	<b>43,749</b>	<b>47,082</b>	<b>44,934</b>	<b>44,077</b>	<b>45,639</b>	<b>43,653</b>	<b>43,943</b>	<b>42,983</b>	<b>44,653</b>	<b>532,543</b>	<b>539,094</b>	<b>573,389</b>
<b>Operating Expenses:</b>															
Salaries	19,094	17,342	18,394	17,810	18,744	17,810	18,744	18,394	18,160	18,744	18,860	18,741	220,837	253,868	255,315
Fringe Benefits	8,870	8,050	8,542	8,352	8,769	8,263	8,627	8,392	8,209	8,440	8,453	8,338	101,305	96,220	94,852
Supplies	2,964	2,677	2,964	2,868	2,964	2,868	2,964	2,964	2,868	2,964	2,868	2,965	34,898	28,743	28,787
Expenses	6,925	6,302	6,875	6,684	6,875	6,584	6,775	6,776	6,585	6,776	6,585	6,774	80,516	90,994	96,460
Utilities	1,919	1,733	1,919	1,857	1,919	1,857	1,919	1,919	1,857	1,919	1,857	1,918	22,593	22,209	21,553
Depreciation Expense	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	1,593	19,116	18,626	18,663
Interest & Amortization	917	917	917	917	917	917	917	917	917	917	917	917	11,004	14,233	12,046
Bad Debt Expense	4,131	3,611	3,812	3,753	3,300	3,191	3,164	2,445	3,184	3,989	3,305	2,677	40,562	39,961	45,203
<b>Total operating expenses</b>	<b>46,413</b>	<b>42,225</b>	<b>45,016</b>	<b>43,834</b>	<b>45,081</b>	<b>43,083</b>	<b>44,703</b>	<b>43,400</b>	<b>43,373</b>	<b>45,342</b>	<b>44,438</b>	<b>43,923</b>	<b>530,831</b>	<b>564,854</b>	<b>572,879</b>
<b>Gain (Loss) From Operations</b>	<b>(1,917)</b>	<b>(233)</b>	<b>326</b>	<b>(85)</b>	<b>2,001</b>	<b>1,851</b>	<b>(626)</b>	<b>2,239</b>	<b>280</b>	<b>(1,399)</b>	<b>(1,455)</b>	<b>730</b>	<b>1,712</b>	<b>(25,760)</b>	<b>510</b>
<b>Other Operating Items:</b>															
Other Post Employment Benefits	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(3,486)	(41,832)	(41,424)	(42,585)
Change in Derivative Instruments	3,668	3,668	3,668	3,668	3,668	3,668	3,668	3,667	3,667	3,667	3,667	3,667	44,011	(19,186)	(7,758)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,794
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	(182)	(182)	(182)	(182)	(182)	(182)	(182)	(181)	(181)	(181)	(181)	(181)	(2,179)	(2,141)	(2,301)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62,751)</b>	<b>(38,850)</b>
<b>Net income (loss)</b>	<b>(1,917)</b>	<b>(233)</b>	<b>326</b>	<b>(85)</b>	<b>2,001</b>	<b>1,851</b>	<b>(626)</b>	<b>2,239</b>	<b>280</b>	<b>(1,399)</b>	<b>(1,455)</b>	<b>730</b>	<b>1,712</b>	<b>(88,511)</b>	<b>(38,340)</b>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Cash Flow (Unrestricted)**

**Consolidated**

**For the twelve months ended 12/31/12**

(In Thousands)

	<b>2012 Budgeted</b>												
	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
<b>Beginning Cash Balance:</b>	\$ 650	\$ 344	\$ 17,471	\$ 13,038	\$ 17,205	\$ 23,009	\$ 11,139	\$ 14,800	\$ 12,425	\$ 13,006	\$ 12,451	\$ 7,843	\$ 650
<b>Cash Receipts:</b>													
Net patient service revenue	32,722	24,806	27,631	33,219	29,266	27,716	34,009	30,441	26,409	35,276	25,583	25,819	352,897
NYS Intergovernmental transfer	-	40,000	-	-	-	-	-	-	6,152	(3,121)	-	-	43,031
Nassau County Billings	-	6,910	-	-	6,910	-	-	4,607	-	-	4,607	-	23,034
Historical Mission Payments	3,667	417	417	3,667	417	417	3,667	417	416	1,118	2,964	416	18,000
Federal & State Aid	-	468	372	-	3,468	372	-	468	372	-	3,669	372	9,561
Practice Plan Revenue	1,001	1,051	1,051	1,051	1,051	1,151	1,151	1,151	1,151	1,151	1,151	1,151	13,262
Miscellaneous	835	835	835	835	835	835	835	834	834	834	834	834	10,015
Investment Income	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>84</u>
<b>Total cash receipts</b>	<b>38,232</b>	<b>74,494</b>	<b>30,313</b>	<b>38,779</b>	<b>41,954</b>	<b>30,498</b>	<b>39,669</b>	<b>37,925</b>	<b>35,341</b>	<b>35,265</b>	<b>38,815</b>	<b>28,599</b>	<b>469,884</b>
<b>Cash Disbursements:</b>													
Salaries	20,687	15,435	16,487	15,903	16,837	22,503	16,837	16,487	16,253	16,837	23,553	16,834	214,653
Fringe Benefits	4,781	29,908	5,189	5,988	6,243	7,144	6,101	5,928	5,786	5,914	7,150	5,813	95,945
Supplies	2,964	2,677	2,964	2,868	2,964	2,868	2,964	2,964	2,868	2,964	2,868	2,965	34,898
Expenses	5,926	5,353	5,926	5,735	5,926	5,735	5,926	5,926	5,735	5,926	5,735	5,924	69,773
Utilities	1,919	1,733	1,919	1,857	1,919	1,857	1,919	1,919	1,857	1,919	1,857	1,918	22,593
Interest Expense	917	917	917	917	917	917	917	917	917	917	917	917	11,004
Debt Service	-	-	-	-	-	-	-	4,815	-	-	-	-	4,815
<b>Total Cash disbursements</b>	<b>37,194</b>	<b>56,023</b>	<b>33,402</b>	<b>33,268</b>	<b>34,806</b>	<b>41,024</b>	<b>34,664</b>	<b>38,956</b>	<b>33,416</b>	<b>34,477</b>	<b>42,080</b>	<b>34,371</b>	<b>453,681</b>
<b>Cash flow excess(deficit)from operations</b>	<b>1,038</b>	<b>18,471</b>	<b>(3,089)</b>	<b>5,511</b>	<b>7,148</b>	<b>(10,526)</b>	<b>5,005</b>	<b>(1,031)</b>	<b>1,925</b>	<b>788</b>	<b>(3,265)</b>	<b>(5,772)</b>	<b>16,203</b>
<b>Capital Expenditures</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,344</b>	<b>1,343</b>	<b>1,343</b>	<b>1,343</b>	<b>16,125</b>
<b>Cash flow excess(deficit)after cap exp</b>	<b>(306)</b>	<b>17,127</b>	<b>(4,433)</b>	<b>4,167</b>	<b>5,804</b>	<b>(11,870)</b>	<b>3,661</b>	<b>(2,375)</b>	<b>581</b>	<b>(555)</b>	<b>(4,608)</b>	<b>(7,115)</b>	<b>78</b>
<b>Ending Cash Balance:</b>	<b>\$ 344</b>	<b>\$ 17,471</b>	<b>\$ 13,038</b>	<b>\$ 17,205</b>	<b>\$ 23,009</b>	<b>\$ 11,139</b>	<b>\$ 14,800</b>	<b>\$ 12,425</b>	<b>\$ 13,006</b>	<b>\$ 12,451</b>	<b>\$ 7,843</b>	<b>\$ 728</b>	<b>\$ 728</b>
Restricted Cash	-	-	-	888	1,777	2,666	3,555	4,444	5,333	6,222	7,111	8,000	
<b>Total Cash</b>	<b>\$ 344</b>	<b>\$ 17,471</b>	<b>\$ 13,038</b>	<b>\$ 18,093</b>	<b>\$ 24,786</b>	<b>\$ 13,805</b>	<b>\$ 18,355</b>	<b>\$ 16,869</b>	<b>\$ 18,339</b>	<b>\$ 18,673</b>	<b>\$ 14,954</b>	<b>\$ 8,728</b>	

LTD and FPP Eliminated

**Nassau Health Care Corporation and Subsidiaries**  
**2012 CAPITAL BUDGET SUMMARY**

<u>FUNDING SOURCE</u>	<u>DESCRIPTION</u>	<u>2012 Amt.</u>
AUC AGREEMENT	American University of the Caribbean agreement	1,000,000
ARRA	American Rec. Act-Elect Health Records. N/A-Used for Op.	0.00
HEAL 19	For LDR, ICU, Cath Lab, Oncology, GI projects	6,650,000
IHE Funding	Remaining Disparities money from Nassau County	1,600,000
Real Estate Developers Equity & Land Leases	For East Meadow & Uniondale Campus Development	6,400,000
Annual addition from Operations	For 2012 NUMC, AHP, IT & Facility Improvements	<u>16,125,000</u>
<b>FUNDING SOURCES TOTAL</b>		<b>31,775,000</b>
<hr/>		
<b><u>2012 ONGOING CAPITAL PROJECTS</u></b>		<b><u>2012 Exp Amt.</u></b>
NUMC & AHP Campus Real-Estate Development	Funded from Developers Equity & Land Leases	6,500,000
LDR Project	Labor & Delivery Renovations-HEAL 19 funded	3,555,000
ICU Renovation Project	ICU on DCB-2 Renovations-HEAL 19 funded	1,600,000
Cath Lab Renovation Project	Cardiac Cath Lab-HEAL 19 funded	1,184,720
Oncology Renovations	Oncology Dept-HEAL 19 funded	300,000
AUC Projects	Academic Affairs & Education improvements-AUC funded	1,000,000
Angio Room	Angio Room improvements-Operations funded	450,000
14th Floor POC	14th Floor Psychiatry Plan of Correction-Operations funded	<u>350,000</u>
<b>ONGOING PROJECTS TOTAL</b>		<b>14,939,720</b>
<hr/>		
<b><u>NEW 2012 CAPITAL PROJECTS</u></b>		
GI & Cardiology Renovations	GI & Cardio Dept Renovations-HEAL 19 funded	250,000
9th Floor Renovations	DCB-9th Floor (Med/Surg)-Operations funded	TBD
Kitchen Renovations	Kitchen Upgrade & Renovations-Operations funded	1,000,000
Lab Reconfiguration	Shared Labs Dept Reconfiguration-Operations funded	<u>2,000,000</u>
<b>NEW 2012 PROJECTS TOTAL</b>		<b>3,250,000</b>
<hr/>		
<b><u>ANNUAL EXPENDITURES</u></b>		
IT Capital Equipment & Contracts	Eclipsys, Hardware & Software-Operations funded	8,000,000
Misc. Equip, Furniture & Facilities	For AHP, NUMC & Facility Improvements-Operations funded	<u>5,585,280</u>
<b>2012 ANNUAL PROJECTS TOTAL</b>		<b>13,585,280</b>
<hr/>		
<b>TOTAL: ALL 2012 PROJECTS</b>		<b>31,775,000</b>

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Nassau University Medical Center**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Audited * FYE 12/31/2008</u>	<u>Audited FYE 12/31/2009</u>	<u>Audited FYE 12/31/2010</u>	<u>Projected FYE 12/31/2011</u>	<u>Budgeted FYE 12/31/2012</u>
<b>Operating Revenues:</b>							
Net patient service revenue	306,303	315,056	303,872	309,555	327,671	317,343	327,499
NYS Intergovernmental transfer	40,475	31,144	26,969	68,278	56,582	43,835	36,879
Nassau County Billings	27,904	32,500	40,835	41,373	40,448	38,059	22,944
Historical Mission Payments	(5,000)	8,256	10,192	10,192	10,192	10,192	10,192
Federal & State Aid	1,858	5,089	7,604	4,900	2,592	5,902	8,073
Practice Plan Revenue	8,780	7,243	7,500	9,490	11,918	10,578	13,262
Investment Income	2,730	3,119	1,268	252	280	277	72
Miscellaneous	6,501	6,276	7,399	9,856	11,715	10,980	9,979
<b>Total operating revenue</b>	<u>389,551</u>	<u>408,683</u>	<u>405,639</u>	<u>453,896</u>	<u>461,398</u>	<u>437,166</u>	<u>428,900</u>
<b>Operating Expenses:</b>							
Salaries	170,719	180,901	201,218	206,594	207,437	207,476	177,198
Fringe Benefits	52,399	64,248	67,246	71,572	76,907	78,760	82,756
Supplies	19,483	19,857	22,361	21,431	24,445	24,299	29,919
Expenses	50,850	56,703	62,051	66,918	73,667	68,471	57,632
Utilities	20,022	19,344	21,165	20,115	19,306	19,955	20,206
Depreciation Expense	14,270	14,439	15,013	16,364	16,835	16,600	17,040
Interest & Amortization	10,247	8,568	9,943	9,605	8,134	10,969	7,656
Bad Debt Expense	50,850	45,773	46,659	41,644	41,644	35,944	36,289
<b>Total operating expenses</b>	<u>388,840</u>	<u>409,833</u>	<u>445,656</u>	<u>454,243</u>	<u>468,375</u>	<u>462,474</u>	<u>428,696</u>
<b>Gain (Loss) From Operations</b>	<u>711</u>	<u>(1,150)</u>	<u>(40,017)</u>	<u>(347)</u>	<u>(6,977)</u>	<u>(25,308)</u>	<u>204</u>
<b>Other Operating Items:</b>							
Other Post Employment Benefits	-	(33,893)	(30,704)	(31,410)	(33,974)	(33,048)	(33,120)
Change in Derivative Instruments	3,393	(5,314)	(24,748)	16,215	(5,741)	(14,197)	34,716
Grants for Capital Asset Acquisition	-	20,773	47,583	44,963	13,794	-	-
Third Party Retro Rate Adjustment	-	-	10,286	-	-	-	-
Amortization of Refunding Loss	(1,741)	(1,727)	(1,708)	(1,715)	(1,707)	(1,546)	(1,596)
<b>Total Other Operating Items</b>	<u>1,652</u>	<u>(20,161)</u>	<u>709</u>	<u>28,053</u>	<u>(27,628)</u>	<u>(48,791)</u>	<u>-</u>
<b>Net income (loss)</b>	<u>2,363</u>	<u>(21,311)</u>	<u>(39,308)</u>	<u>27,706</u>	<u>(34,605)</u>	<u>(74,099)</u>	<u>204</u>

\* restated

**Nassau Health Care Corporation and Subsidiaries**  
**Budgeted Revenue & Expenses**  
**Nassau University Medical Center**  
**For the twelve months ended 12/31/12**  
(In Thousands)

	2012 Budgeted												2012	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2011	12/31/2010
<b>Operating Revenues:</b>															
Net patient service revenue	27,891	25,666	28,637	27,234	27,377	28,419	27,435	28,898	27,239	27,288	26,568	24,847	327,499	317,343	327,671
NYS Intergovernmental transfers	3,073	3,073	3,073	3,073	3,073	3,073	3,073	3,073	3,073	3,074	3,074	3,074	36,879	43,835	56,582
Nassau County Billings	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	22,944	38,059	40,448
Historical Mission Payments	849	849	849	849	849	849	849	849	850	850	850	850	10,192	10,192	10,192
Federal & State Aid	156	156	156	156	3,156	156	156	156	156	156	156	3,357	8,073	5,902	2,592
Practice Plan Revenue	1,001	1,051	1,051	1,051	1,051	1,151	1,151	1,151	1,151	1,151	1,151	1,151	13,262	10,578	11,918
Investment Income	6	6	6	6	6	6	6	6	6	6	6	6	72	277	280
Miscellaneous	832	832	832	832	832	832	832	831	831	831	831	831	9,979	10,980	11,715
<b>Total operating revenue</b>	<b>35,720</b>	<b>33,545</b>	<b>36,516</b>	<b>35,113</b>	<b>38,256</b>	<b>36,398</b>	<b>35,414</b>	<b>36,876</b>	<b>35,218</b>	<b>35,268</b>	<b>34,548</b>	<b>36,028</b>	<b>428,900</b>	<b>437,166</b>	<b>461,398</b>
<b>Operating Expenses:</b>															
Salaries	15,300	13,843	14,800	14,314	15,050	14,314	15,050	14,800	14,564	15,050	15,064	15,049	177,198	207,476	207,437
Fringe Benefits	7,311	6,631	7,078	6,847	7,165	6,761	7,027	6,844	6,666	6,851	6,817	6,758	82,756	78,760	76,907
Supplies	2,541	2,295	2,541	2,459	2,541	2,459	2,541	2,541	2,459	2,541	2,459	2,542	29,919	24,299	24,445
Expenses	4,895	4,421	4,895	4,737	4,895	4,737	4,895	4,895	4,737	4,895	4,737	4,893	57,632	68,471	73,667
Utilities	1,716	1,550	1,716	1,661	1,716	1,661	1,716	1,716	1,661	1,716	1,661	1,716	20,206	19,955	19,306
Depreciation Expense	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	17,040	16,600	16,835
Interest & Amortization	638	638	638	638	638	638	638	638	638	638	638	638	7,656	10,969	8,134
Bad Debt Expense	3,784	3,269	3,437	3,395	2,925	2,833	2,803	2,056	2,854	3,628	2,975	2,330	36,289	35,944	41,644
<b>Total operating expenses</b>	<b>37,605</b>	<b>34,067</b>	<b>36,525</b>	<b>35,471</b>	<b>36,350</b>	<b>34,823</b>	<b>36,090</b>	<b>34,910</b>	<b>34,999</b>	<b>36,739</b>	<b>35,771</b>	<b>35,346</b>	<b>428,696</b>	<b>462,474</b>	<b>468,375</b>
<b>Gain (Loss) From Operations</b>	<b>(1,885)</b>	<b>(522)</b>	<b>(9)</b>	<b>(358)</b>	<b>1,906</b>	<b>1,575</b>	<b>(676)</b>	<b>1,966</b>	<b>219</b>	<b>(1,471)</b>	<b>(1,223)</b>	<b>682</b>	<b>204</b>	<b>(25,308)</b>	<b>(6,977)</b>
<b>Other Operating Items:</b>															
Other Post Employment Benefits	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(2,760)	(33,120)	(33,048)	(33,974)
Change in Derivative Instrument	2,893	2,893	2,893	2,893	2,893	2,893	2,893	2,893	2,893	2,893	2,893	2,893	34,716	(14,197)	(5,741)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,794
Third Party Retro Rate Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(1,596)	(1,546)	(1,707)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,791)</b>	<b>(27,628)</b>
<b>Net income (loss)</b>	<b>(1,885)</b>	<b>(522)</b>	<b>(9)</b>	<b>(358)</b>	<b>1,906</b>	<b>1,575</b>	<b>(676)</b>	<b>1,966</b>	<b>219</b>	<b>(1,471)</b>	<b>(1,223)</b>	<b>682</b>	<b>204</b>	<b>(74,099)</b>	<b>(34,605)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**  
**Nassau University Medical Center**  
**For the twelve months ended 12/31/12**

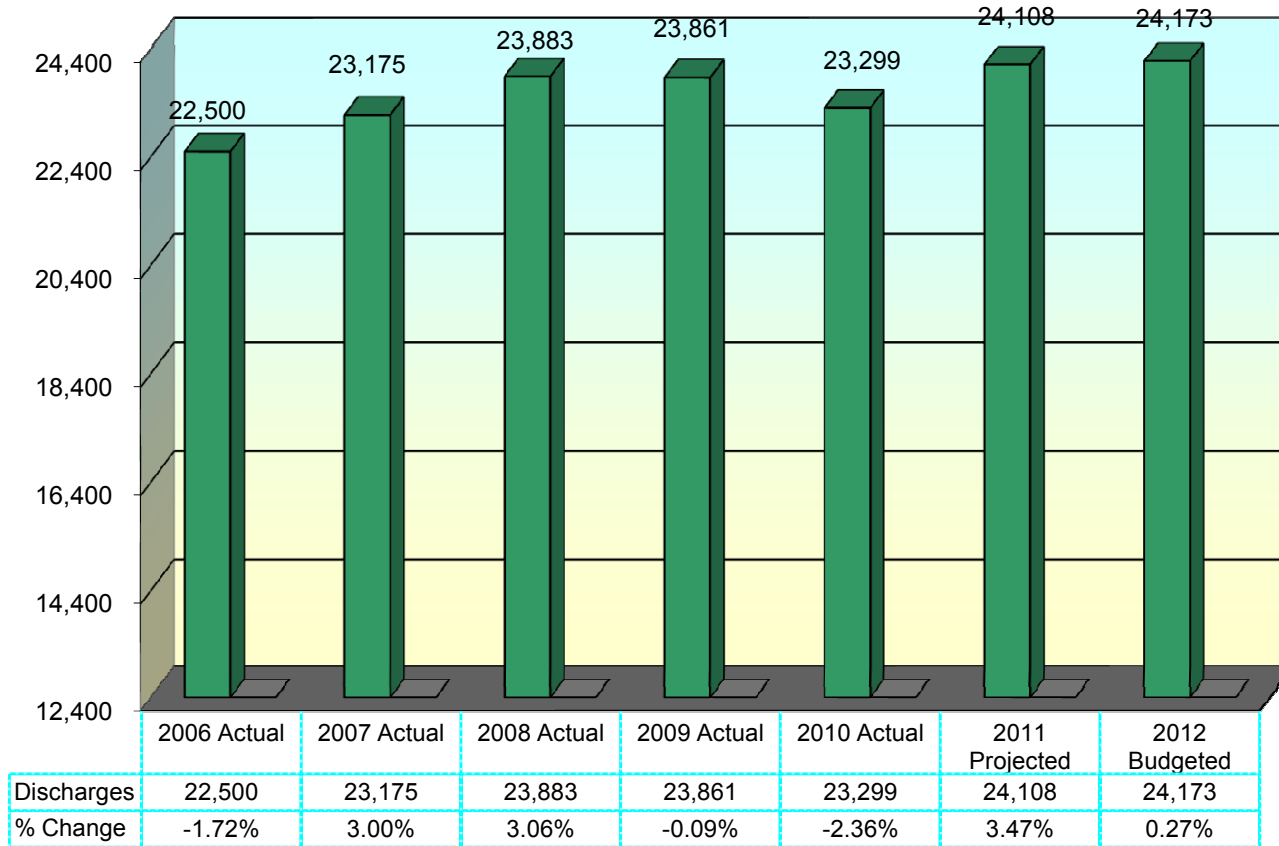
	2006	2007	2008	2009	2010	2011	2012 Budgeted												
							JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<b><u>DISCHARGES:</u></b>																			
Adult & Peds	18,730	18,556	18,893	19,113	18,974	19,757	1,610	1,549	1,698	1,641	1,598	1,738	1,775	1,755	1,707	1,634	1,602	1,503	19,810
Psychiatry	1,555	1,990	2,168	2,064	1,916	2,042	145	158	183	167	173	181	155	175	173	170	170	197	2,047
Chemical Dependency Rehab	-	239	461	482	473	477	42	34	50	28	45	38	39	42	44	44	37	35	478
Physical Medicine & Rehab	535	602	520	433	454	440	43	45	36	33	33	30	33	52	36	28	39	34	442
Newborn	1,680	1,788	1,841	1,769	1,482	1,392	109	106	123	104	104	143	127	129	118	110	107	116	1,396
<b>Total</b>	<b>22,500</b>	<b>23,175</b>	<b>23,883</b>	<b>23,861</b>	<b>23,299</b>	<b>24,108</b>	<b>1,949</b>	<b>1,892</b>	<b>2,090</b>	<b>1,973</b>	<b>1,953</b>	<b>2,130</b>	<b>2,129</b>	<b>2,153</b>	<b>2,078</b>	<b>1,986</b>	<b>1,955</b>	<b>1,885</b>	<b>24,173</b>
<b><u>PATIENT DAYS:</u></b>																			
Adult & Peds	84,777	80,392	83,941	85,881	84,304	81,365	7,883	6,778	7,038	7,015	6,608	6,669	7,051	7,223	6,460	6,501	6,461	5,912	81,599
Psychiatry	31,065	35,470	45,839	45,515	44,863	43,945	3,847	3,622	3,992	3,868	3,927	3,790	3,541	3,516	3,337	3,672	3,429	3,529	44,070
Chemical Dependency Rehab	-	5,335	9,836	10,343	10,440	9,713	879	816	851	770	863	864	847	835	736	864	808	608	9,741
Physical Medicine & Rehab	6,589	6,864	7,323	6,132	6,107	5,320	577	551	442	404	442	414	415	494	403	394	475	328	5,339
Newborn	4,743	5,143	5,066	4,884	3,929	3,738	313	278	365	270	286	404	309	356	297	310	264	296	3,748
<b>Total</b>	<b>127,174</b>	<b>133,204</b>	<b>152,005</b>	<b>152,755</b>	<b>149,643</b>	<b>144,081</b>	<b>13,499</b>	<b>12,045</b>	<b>12,688</b>	<b>12,327</b>	<b>12,126</b>	<b>12,141</b>	<b>12,163</b>	<b>12,424</b>	<b>11,233</b>	<b>11,741</b>	<b>11,437</b>	<b>10,673</b>	<b>144,497</b>
<b><u>AVG LENGTH OF STAY:</u></b>																			
Adult & Peds	4.53	4.33	4.44	4.49	4.44	4.12	4.90	4.38	4.14	4.27	4.14	3.84	3.97	4.12	3.78	3.98	4.03	3.93	4.12
Psychiatry	19.98	17.82	21.14	22.05	23.41	21.52	26.53	22.92	21.81	23.16	22.70	20.94	22.85	20.09	19.29	21.60	20.17	17.91	21.53
Chemical Dependency Rehab	-	22.32	21.34	21.46	22.07	20.36	20.93	24.00	17.02	27.50	19.18	22.74	21.72	19.88	16.73	19.64	21.84	17.37	20.38
Physical Medicine & Rehab	12.32	11.40	14.08	14.16	13.45	12.09	13.42	12.24	12.28	12.24	13.39	13.80	12.58	9.50	11.19	14.07	12.18	9.65	12.08
Newborn	2.82	2.88	2.75	2.76	2.65	2.69	2.87	2.62	2.97	2.60	2.75	2.83	2.43	2.76	2.52	2.82	2.47	2.55	2.68
<b>Total</b>	<b>5.65</b>	<b>5.75</b>	<b>6.36</b>	<b>6.40</b>	<b>6.42</b>	<b>5.98</b>	<b>6.93</b>	<b>6.37</b>	<b>6.07</b>	<b>6.25</b>	<b>6.21</b>	<b>5.70</b>	<b>5.71</b>	<b>5.77</b>	<b>5.41</b>	<b>5.91</b>	<b>5.85</b>	<b>5.66</b>	<b>5.98</b>
<b><u>AVG DAILY CENSUS</u></b>																			
Adult & Peds	232.3	220.3	229.3	235.3	231.0	222.9	254.3	233.7	227.0	233.8	213.2	222.3	227.5	233.0	215.3	209.7	215.4	190.7	222.9
Psychiatry	85.1	97.2	125.2	124.7	122.9	120.4	124.1	124.9	128.8	128.9	126.7	126.3	114.2	113.4	111.2	118.5	114.3	113.8	120.4
Chemical Dependency Rehab	-	14.6	26.9	28.3	28.6	26.6	28.4	28.1	27.5	25.7	27.8	28.8	27.3	26.9	24.5	27.9	26.9	19.6	26.6
Physical Medicine & Rehab	18.1	18.8	20.0	16.8	16.7	14.6	18.6	19.0	14.3	13.5	14.3	13.8	13.4	15.9	13.4	12.7	15.8	10.6	14.6
Newborn	13.0	14.1	13.8	13.4	10.8	10.2	10.1	9.6	11.8	9.0	9.2	13.5	10.0	11.5	9.9	10.0	8.8	9.5	10.2
<b>Total</b>	<b>348.5</b>	<b>365.0</b>	<b>415.2</b>	<b>418.5</b>	<b>410.0</b>	<b>394.7</b>	<b>435.5</b>	<b>415.3</b>	<b>409.4</b>	<b>410.9</b>	<b>391.2</b>	<b>404.7</b>	<b>392.4</b>	<b>400.7</b>	<b>374.3</b>	<b>378.8</b>	<b>381.2</b>	<b>344.2</b>	<b>394.7</b>
<b><u>CASE MIX INDEX (CMI) **</u></b>																			
Medicare	1.31	1.38	1.33	1.32	1.39	1.31	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34	1.34
Medicaid	0.91	0.92	0.92	0.86	0.93	0.95	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Other	0.94	0.91	0.98	0.89	0.88	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
<b>Total</b>	<b>0.97</b>	<b>0.95</b>	<b>0.98</b>	<b>0.92</b>	<b>0.95</b>	<b>0.96</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>	<b>0.97</b>
<b><u>PERCENT OCCUPANCY:</u></b>																			
Licensed Beds	53.16%	55.60%	63.62%	76.44%	75.32%	72.55%	80.26%	76.56%	75.00%	75.83%	72.06%	73.82%	72.15%	73.45%	68.78%	69.57%	70.27%	63.16%	72.56%
Available Beds	69.74%	72.94%	83.47%	87.88%	86.60%	83.41%	92.27%	88.02%	86.23%	87.18%	82.85%	84.87%	82.95%	84.44%	79.07%	79.99%	80.79%	72.61%	83.42%

\*\* CMI through 2009 restated to reflect impact of 2010 NYS DRG Weight Changes

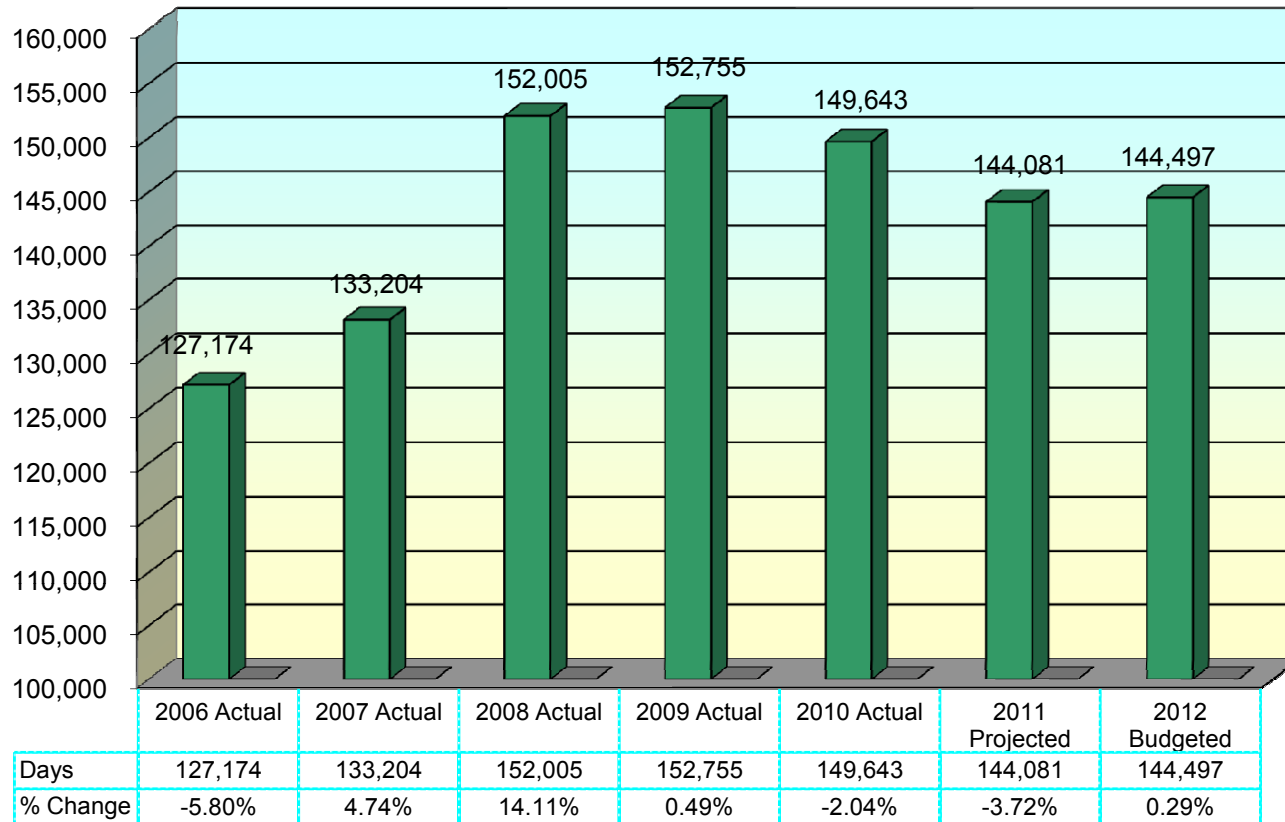
**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**  
**Nassau University Medical Center**  
**For the twelve months ended 12/31/12**

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Proj.	2012 Budgeted												TOTAL	
							JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
<b><u>AMBULATORY VISITS (Exc. Admits)</u></b>																				
General Clinic	171,672	171,819	165,201	171,102	164,018	163,812	12,052	12,751	15,688	14,118	14,347	14,467	12,813	14,632	13,576	13,949	12,872	12,547	163,812	
HIV Clinic	4,042	4,224	3,978	4,214	4,184	3,975	302	325	383	312	380	385	293	303	343	326	328	295	3,975	
Oncology Clinic	3,663	3,347	3,550	3,602	3,459	4,480	284	283	330	314	328	309	319	517	514	455	427	400	4,480	
CDC Clinic	806	701	718	782	898	1,171	66	94	91	89	121	119	95	102	72	101	101	120	1,171	
Hyperbaric Clinic	4,390	4,555	3,916	3,347	3,675	3,533	268	292	389	339	236	325	281	294	250	296	283	280	3,533	
Mental Health	7,286	6,808	7,420	8,469	10,119	13,288	951	1,008	1,290	1,064	1,196	946	699	1,285	1,275	1,180	1,272	1,122	13,288	
Emergency Room (Total)	73,774	74,331	75,307	76,916	72,722	73,231	6,200	5,342	5,828	5,807	6,301	6,319	6,633	6,232	6,283	6,335	5,923	6,028	73,231	
Emergency Room Admits	17,867	18,432	18,688	19,048	18,847	19,443	1,603	1,438	1,666	1,595	1,630	1,714	1,767	1,690	1,662	1,643	1,537	1,498	19,443	
Ambulatory Surgery	3,275	3,293	3,587	3,980	4,363	4,879	371	377	452	435	456	413	377	385	409	445	408	351	4,879	
Hemodialysis	12,388	14,327	14,270	14,754	17,873	20,665	1,655	1,547	1,749	1,715	1,778	1,762	1,730	1,808	1,743	1,718	1,689	1,771	20,665	
Referred Ambulatory	4,863	5,018	4,751	4,855	4,459	5,261	338	391	564	494	468	468	421	468	448	431	406	364	5,261	
<b><u>LABOR STATISTICS:</u></b>																				
Full-Time Equivalent (FTE) Total	2,666	2,752	2,972	2,936	2,958	2,949	2,615	2,615	2,615	2,615	2,615	2,615	2,615	2,615	2,615	2,615	2,615	2,615	2,615	
Labor Cost Per Man Hour	49.95	53.17	53.77	56.54	57.37	57.93	60.76	58.81	58.79	58.76	59.70	58.52	59.33	58.16	58.95	58.85	60.76	58.60	59.17	
FTE's Per Adjusted Occupied Bed	5.48	5.30	5.16	5.00	5.12	5.37	4.41	4.62	4.69	4.67	4.91	4.74	4.89	4.79	5.13	5.07	5.03	5.57	4.86	
Payroll as a % of Gross Patient Revenue	72.84%	77.81%	77.90%	85.48%	87.93%	90.20%	81.07%	79.77%	76.40%	77.70%	81.14%	74.16%	80.47%	74.90%	77.94%	80.26%	82.36%	87.77%	79.38%	
% of Salary & Benefits Expense	66.01%	67.34%	67.28%	67.42%	66.63%	67.11%	66.85%	66.48%	66.12%	65.97%	66.46%	65.88%	66.32%	65.88%	66.04%	66.14%	66.72%	66.05%	66.25%	
Overtime as a % of Payroll	3.28%	4.06%	4.28%	4.16%	4.12%	3.41%	1.97%	2.03%	2.03%	2.03%	2.00%	2.04%	2.01%	2.05%	2.03%	2.03%	1.97%	2.04%	2.02%	
<b><u>CREDIT AND COLLECTION STATISTICS:</u></b>																				
Bad Debts as a % of Patient Revenue	16.60%	14.53%	13.97%	12.80%	12.78%	11.33%	13.57%	12.74%	12.00%	12.47%	10.68%	9.97%	10.22%	7.11%	10.48%	13.30%	11.20%	9.38%	11.08%	

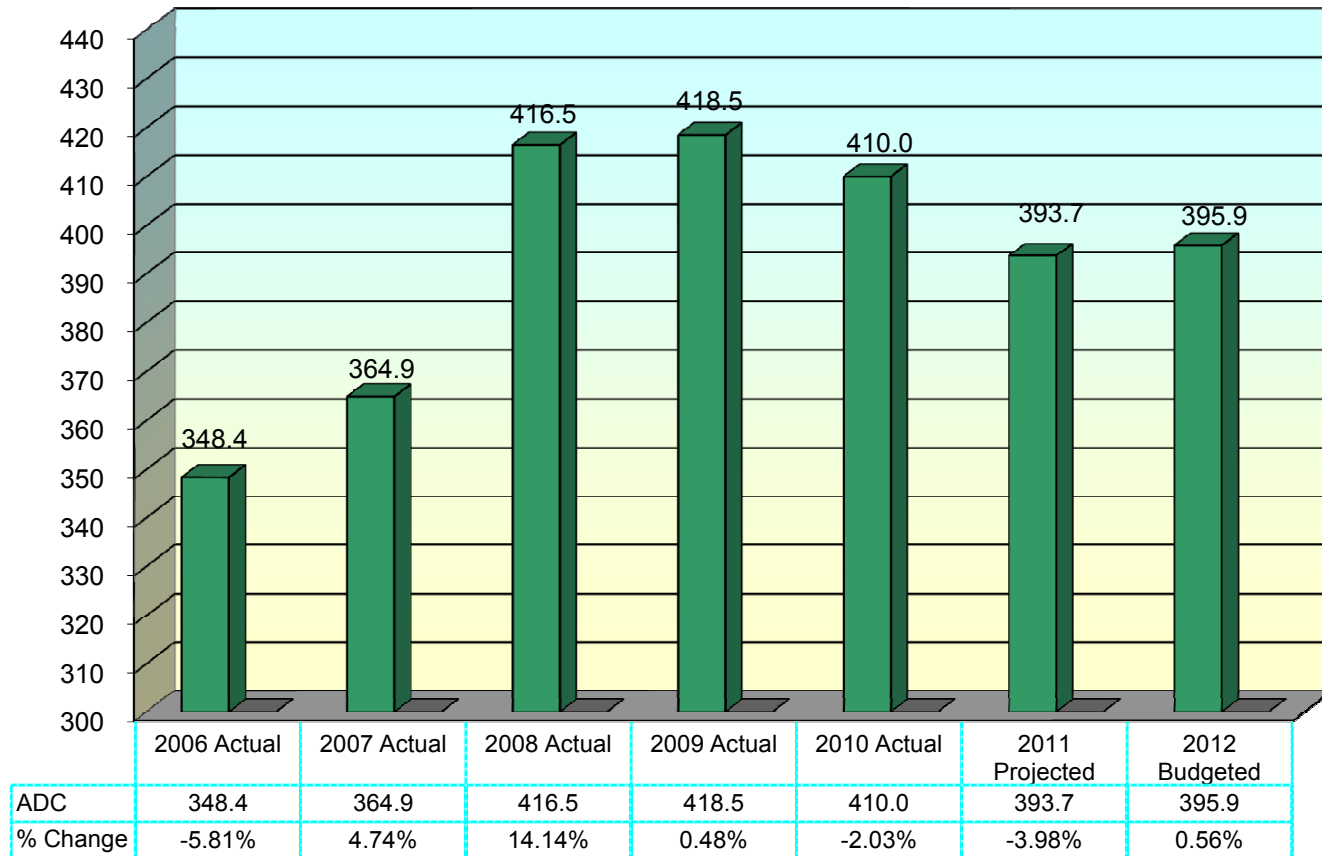
## Nassau University Medical Center - Discharges



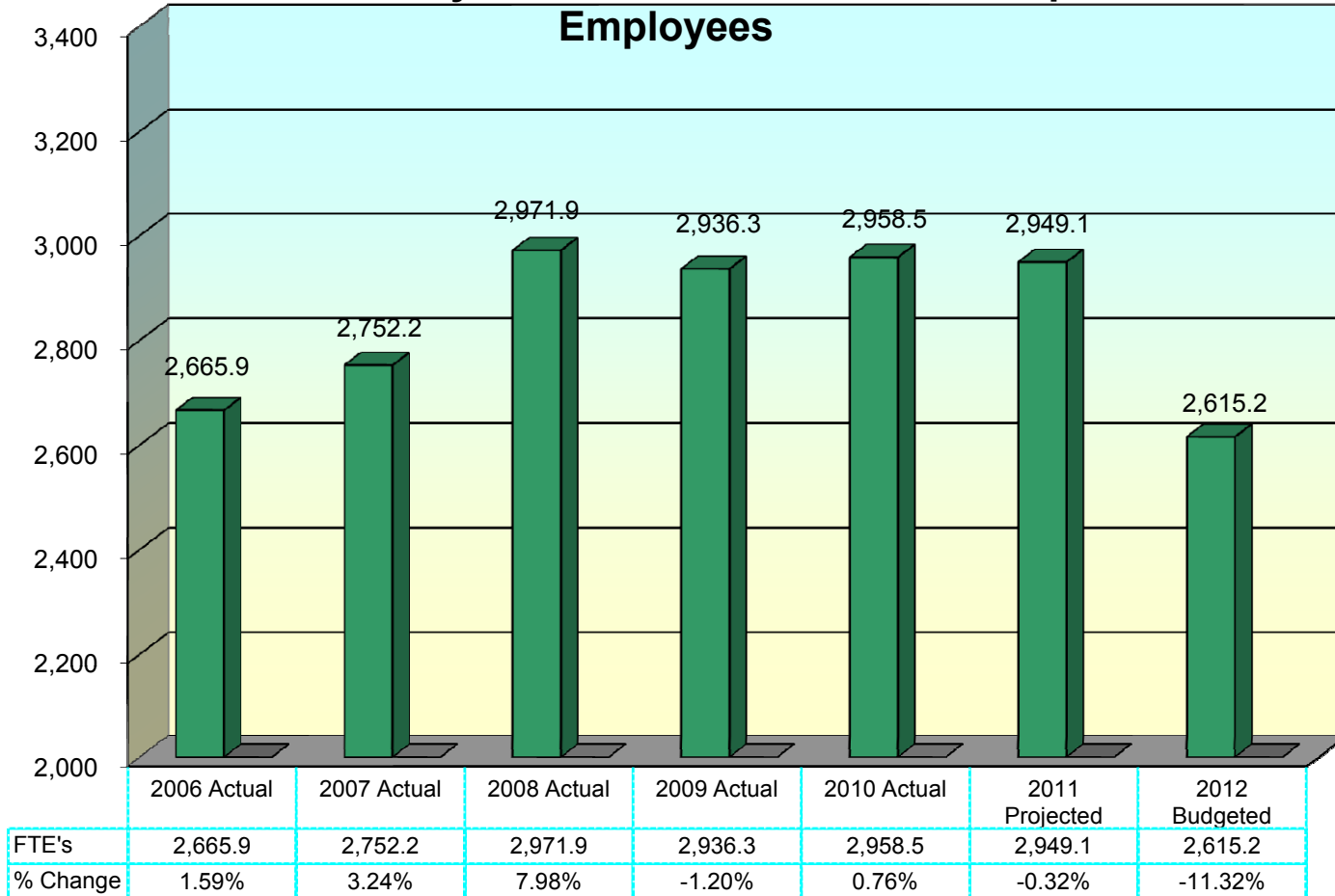
## Nassau University Medical Center - Patient Days



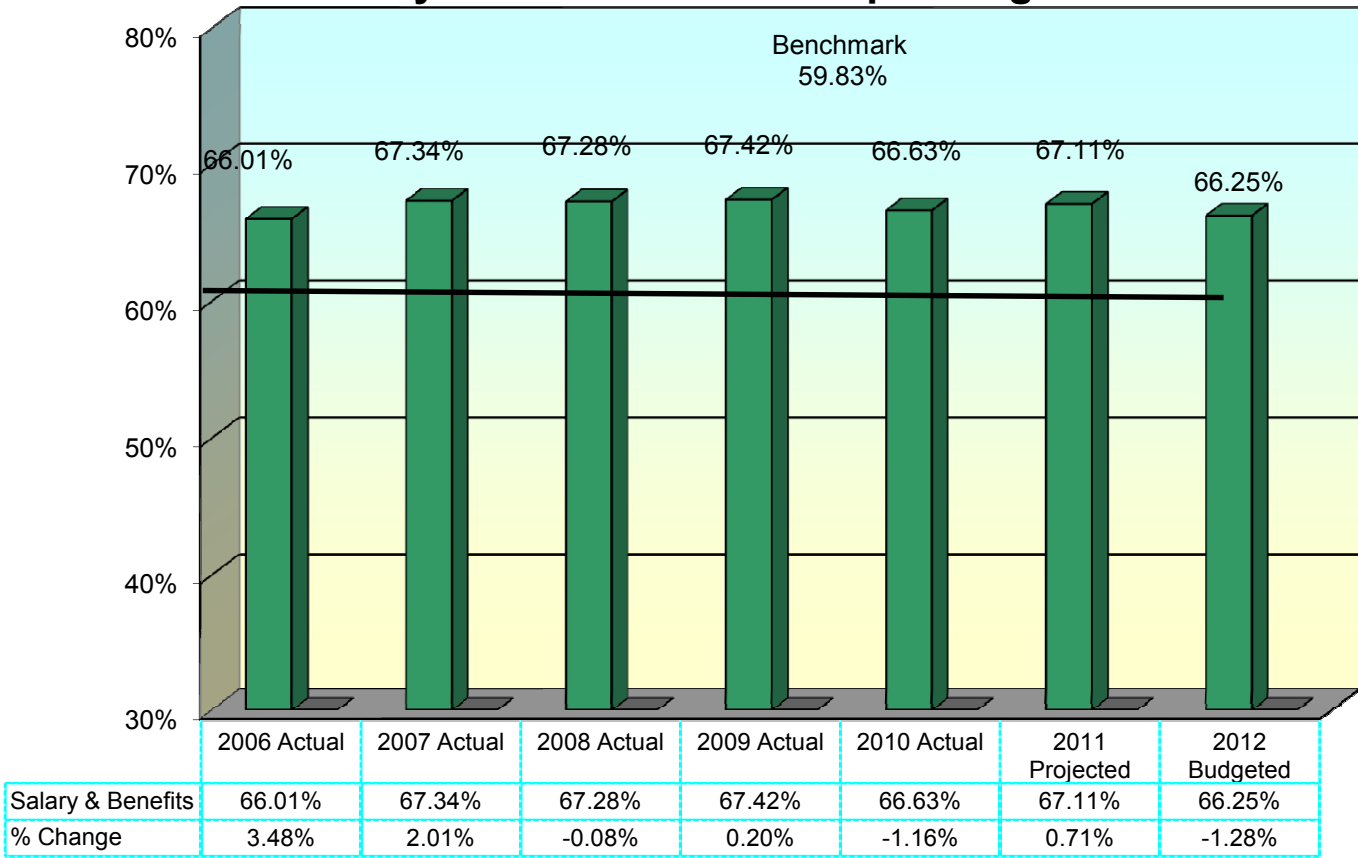
## Nassau University Medical Center - Average Daily Census



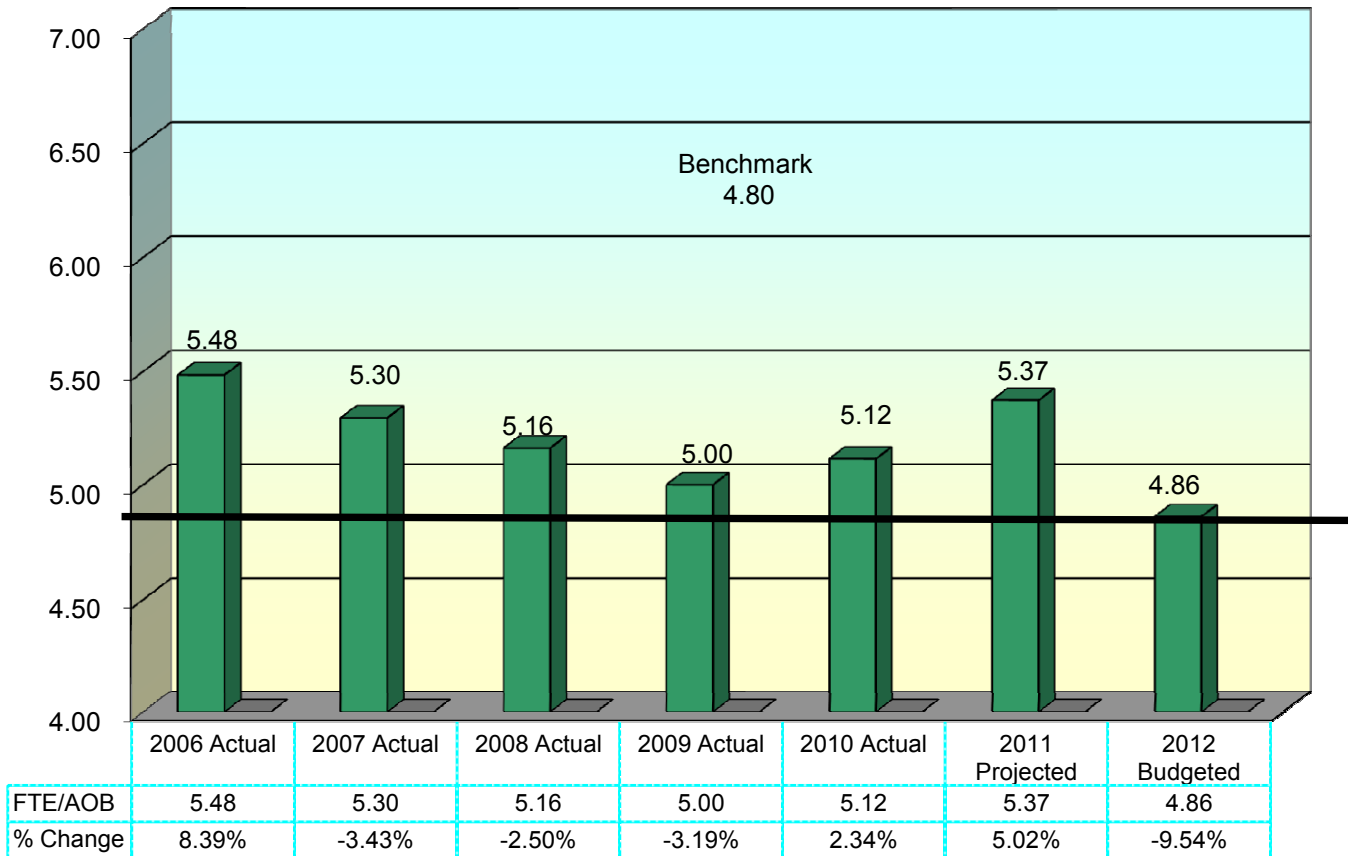
## Nassau University Medical Center - Full Time Equivalent Employees



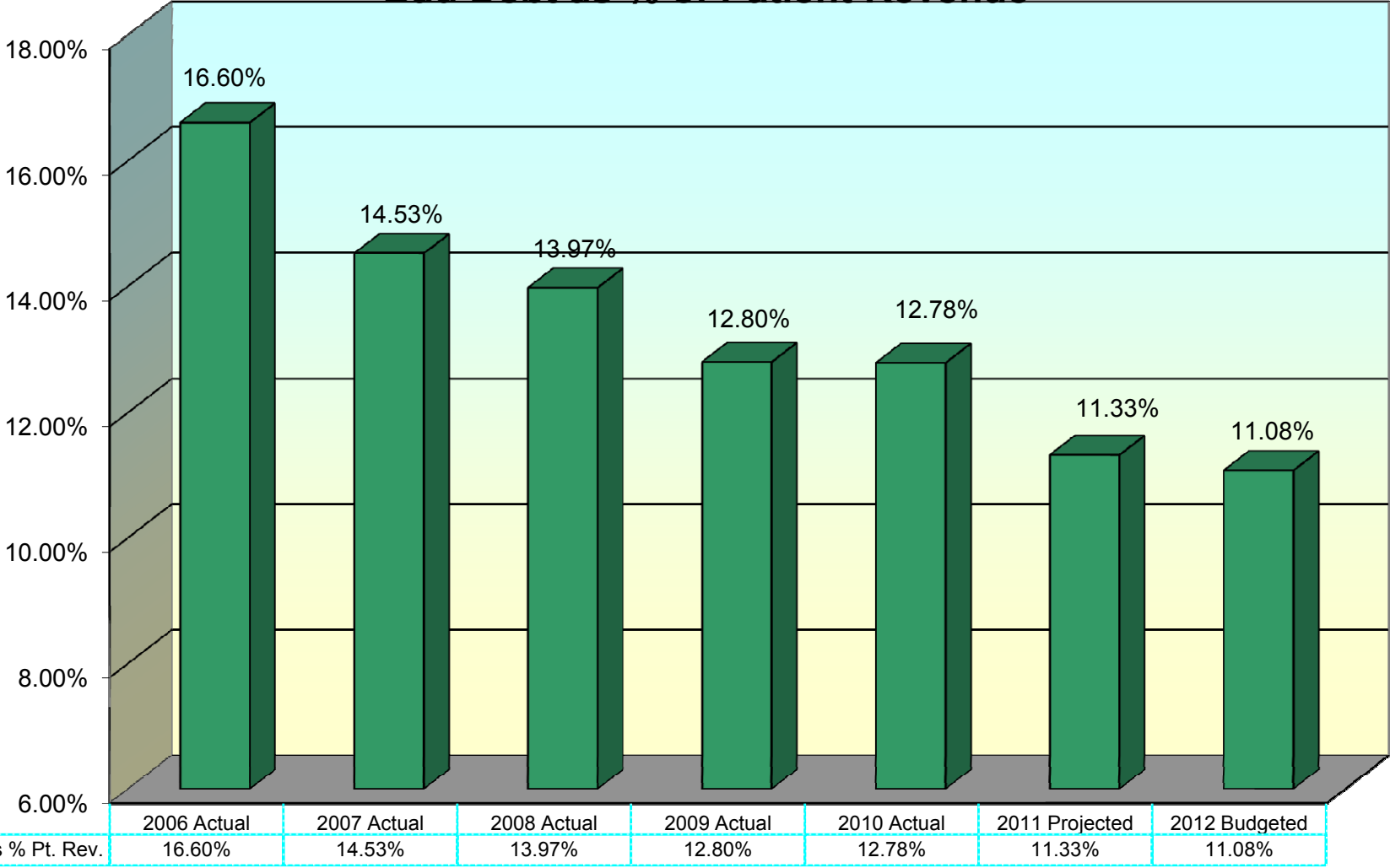
## Nassau University Medical Center Salary & Benefits as % of Operating Costs



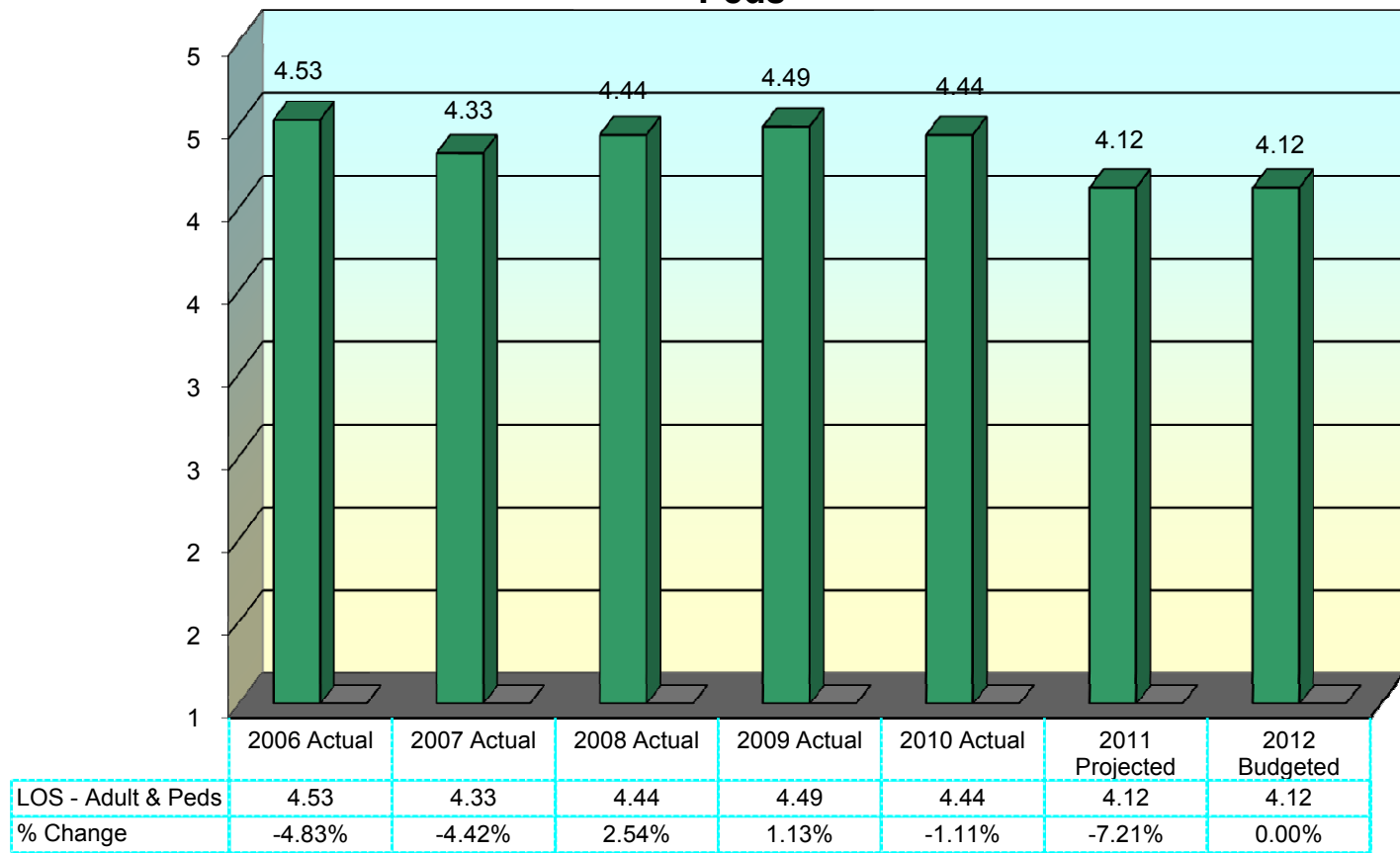
## Nassau University Medical Center - FTE Per Adjusted Occupied Bed



## Nassau University Medical Center Bad Debt as % of Patient Revenue



### Nassau University Medical Center - Length of Stay (LOS) - Adult & Peds



**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**A. Holly Patterson Extended Care Facility**

**Comparative**

(In Thousands)

	<b>Audited FYE 12/31/2006</b>	<b>Audited FYE 12/31/2007</b>	<b>Audited * FYE 12/31/2008</b>	<b>Audited FYE 12/31/2009</b>	<b>Audited FYE 12/31/2010</b>	<b>Projected FYE 12/31/2011</b>	<b>Budgeted FYE 12/31/2012</b>
<b>Operating Revenues:</b>							
Net patient service revenue	50,177	56,565	70,979	58,493	50,094	48,037	53,329
NYS Intergovernmental transfer	1,150	-	14,695	5,073	18,790	9,324	6,152
Nassau County Billings	576	517	548	549	-	-	-
Historical Mission Payments	2,808	2,808	2,808	2,808	2,808	2,808	2,808
Federal & State Aid	82	368	526	3,278	1,823	-	-
Practice Plan Revenue	-	-	-	-	-	-	-
Investment Income	129	126	323	70	107	24	12
Miscellaneous	28	41	64	57	55	58	36
<b>Total operating revenue</b>	<b>54,950</b>	<b>60,425</b>	<b>89,943</b>	<b>70,328</b>	<b>73,677</b>	<b>60,251</b>	<b>62,337</b>
<b>Operating Expenses:</b>							
Salaries	30,755	30,549	31,453	32,947	30,656	29,565	28,675
Fringe Benefits	11,532	12,676	14,360	13,948	14,499	13,659	14,264
Supplies	3,282	3,420	3,725	3,777	3,818	3,849	4,087
Expenses	5,185	4,701	5,784	7,102	8,488	7,428	7,819
Utilities	1,658	1,937	2,033	1,877	1,975	1,941	2,043
Depreciation Expense	1,239	1,228	1,383	1,432	1,432	1,321	1,356
Interest & Amortization	2,696	2,629	3,304	3,085	3,541	2,904	3,000
Bad Debt Expense	710	2,340	1,316	1,490	830	796	811
<b>Total operating expenses</b>	<b>57,057</b>	<b>59,480</b>	<b>63,358</b>	<b>65,658</b>	<b>65,239</b>	<b>61,463</b>	<b>62,055</b>
<b>Gain (Loss) From Operations</b>	<b>(2,107)</b>	<b>945</b>	<b>26,585</b>	<b>4,670</b>	<b>8,438</b>	<b>(1,212)</b>	<b>282</b>
<b>Other Operating Items:</b>							
Other Post Employment Benefits	-	(7,260)	(6,406)	(6,728)	(7,278)	(7,080)	(7,404)
Change in Derivative Instruments	-	(1,652)	(7,869)	5,040	(1,784)	(4,414)	7,920
Grants for Capital Asset Acquisition	-	-	24,305	(2,195)	-	-	-
Third Party Retro Rate Adjustment	-	-	-	(15,572)	-	-	-
Amortization of Refunding Loss	(541)	(537)	(531)	(532)	(525)	(523)	(516)
<b>Total Other Operating Items</b>	<b>(541)</b>	<b>(9,449)</b>	<b>9,499</b>	<b>(19,987)</b>	<b>(9,587)</b>	<b>(12,017)</b>	<b>-</b>
<b>Net income (loss)</b>	<b>(2,648)</b>	<b>(8,504)</b>	<b>36,084</b>	<b>(15,317)</b>	<b>(1,149)</b>	<b>(13,229)</b>	<b>282</b>

\* Restated

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**A. Holly Patterson Extended Care Facility**

For the twelve months ended 12/31/12

(In Thousands)

	2012 Budgeted												2012	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	FYE 12/31/2011	FYE 12/31/2010
<b>Operating Revenues:</b>															
Net patient service revenue	4,514	4,235	4,514	4,374	4,514	4,374	4,514	4,514	4,374	4,514	4,374	4,514	53,329	48,037	50,094
NYS Intergovernmental transfer	513	513	513	513	513	513	513	513	512	512	512	512	6,152	9,324	18,790
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	234	234	234	234	234	234	234	234	234	234	234	234	2,808	2,808	2,808
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,823
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	1	1	1	1	1	1	1	1	1	1	1	1	12	24	107
Miscellaneous	3	3	3	3	3	3	3	3	3	3	3	3	36	58	55
<b>Total operating revenue</b>	<b>5,265</b>	<b>4,986</b>	<b>5,265</b>	<b>5,125</b>	<b>5,265</b>	<b>5,125</b>	<b>5,265</b>	<b>5,265</b>	<b>5,124</b>	<b>5,264</b>	<b>5,124</b>	<b>5,264</b>	<b>62,337</b>	<b>60,251</b>	<b>73,677</b>
<b>Operating Expenses:</b>															
Salaries	2,535	2,300	2,335	2,257	2,435	2,257	2,435	2,335	2,357	2,435	2,557	2,437	28,675	29,565	30,656
Fringe Benefits	1,205	1,094	1,111	1,143	1,233	1,143	1,230	1,179	1,188	1,227	1,287	1,224	14,264	13,659	14,499
Supplies	347	314	347	336	347	336	347	347	336	347	336	347	4,087	3,849	3,818
Expenses	664	600	664	643	664	643	664	664	643	664	643	663	7,819	7,428	8,488
Utilities	174	157	174	168	174	168	174	174	168	174	168	170	2,043	1,941	1,975
Depreciation Expense	113	113	113	113	113	113	113	113	113	113	113	113	1,356	1,321	1,432
Interest & Amortization	250	250	250	250	250	250	250	250	250	250	250	250	3,000	2,904	3,541
Bad Debt Expense	69	64	69	66	69	66	69	69	66	69	66	69	811	796	830
<b>Total operating expenses</b>	<b>5,357</b>	<b>4,892</b>	<b>5,063</b>	<b>4,976</b>	<b>5,285</b>	<b>4,976</b>	<b>5,282</b>	<b>5,131</b>	<b>5,121</b>	<b>5,279</b>	<b>5,420</b>	<b>5,273</b>	<b>62,055</b>	<b>61,463</b>	<b>65,239</b>
<b>Gain (Loss) From Operations</b>	<b>(92)</b>	<b>94</b>	<b>202</b>	<b>149</b>	<b>(20)</b>	<b>149</b>	<b>(17)</b>	<b>134</b>	<b>3</b>	<b>(15)</b>	<b>(296)</b>	<b>(9)</b>	<b>282</b>	<b>(1,212)</b>	<b>8,438</b>
<b>Other Operating Items:</b>															
Other Post Employment Benefits	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(617)	(7,404)	(7,080)	(7,278)
Change in Derivative Instruments	660	660	660	660	660	660	660	660	660	660	660	660	7,920	(4,414)	(1,784)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(516)	(523)	(525)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,017)</b>	<b>(9,587)</b>
<b>Net income (loss)</b>	<b>(92)</b>	<b>94</b>	<b>202</b>	<b>149</b>	<b>(20)</b>	<b>149</b>	<b>(17)</b>	<b>134</b>	<b>3</b>	<b>(15)</b>	<b>(296)</b>	<b>(9)</b>	<b>282</b>	<b>(13,229)</b>	<b>(1,149)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**

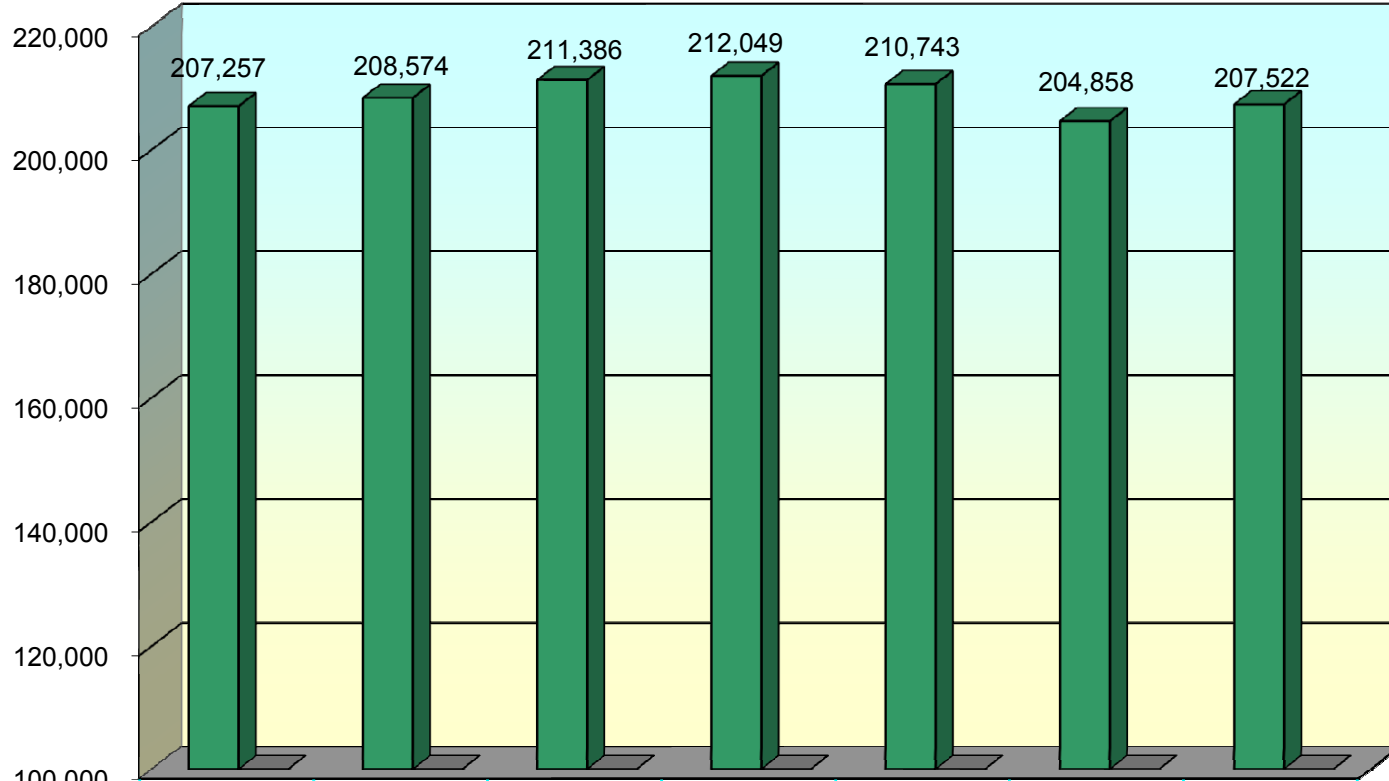
**A. Holly Patterson Extended Care Facility**

For the twelve months ended 12/31/12

(In Thousands)

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Proj.	2012 Budgeted													
							JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
<b><u>PATIENT DAYS:</u></b>																				
Geriatrics	195,100	196,170	197,370	197,457	196,646	190,813	16,337	15,283	16,337	15,810	16,337	15,810	16,337	16,337	15,810	16,337	15,810	16,337	16,337	192,882
HIV	7,300	7,300	7,320	7,292	7,233	7,270	620	580	620	600	620	600	620	620	600	620	600	620	620	7,320
Ventilator	4,857	5,104	6,696	7,300	6,864	6,775	620	580	620	600	620	600	620	620	600	620	600	620	620	7,320
Total	207,257	208,574	211,386	212,049	210,743	204,858	17,577	16,443	17,577	17,010	17,577	17,010	17,577	17,577	17,010	17,577	17,010	17,577	17,577	207,522
<b><u>Average Daily Census</u></b>																				
Geriatrics	534.5	537.5	539.3	541.0	538.8	522.8	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0	527.0
HIV	20.0	20.0	20.0	20.0	19.8	19.9	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Ventilator	13.3	14.0	18.3	20.0	18.8	18.6	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Total	567.8	571.5	577.6	581.0	577.4	561.3	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0	567.0
<b><u>PERCENT OCCUPANCY:</u></b>																				
Geriatrics	97.4%	97.9%	98.2%	98.5%	98.1%	95.2%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%
HIV	100.0%	100.0%	100.0%	99.9%	99.1%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ventilator	66.5%	69.9%	91.5%	100.0%	94.0%	92.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	96.4%	97.0%	98.1%	98.6%	98.0%	95.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%
<b><u>LABOR STATISTICS:</u></b>																				
Full-Time Equivalent (FTE) Total	606.8	607.1	600.4	594.8	575.2	602.0	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1	595.1
Labor Cost Per Man Hour	38.15	38.97	41.77	43.15	42.97	39.45	40.61	39.40	37.42	38.15	39.83	38.15	39.80	38.16	39.78	39.77	43.13	39.75	39.49	39.49
FTE's Per Occupied Bed	1.07	1.06	1.04	1.02	1.00	1.07	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Payroll as a % of Patient Revenue	84.28%	76.42%	64.54%	80.17%	90.14%	89.98%	82.85%	80.14%	76.34%	77.73%	81.26%	77.73%	81.19%	77.85%	81.05%	81.13%	87.88%	81.10%	80.52%	80.52%
Overtime as a % of Payroll	2.78%	3.03%	4.28%	2.95%	3.19%	3.98%	2.87%	2.96%	3.12%	3.06%	2.93%	3.06%	2.93%	3.06%	2.93%	2.93%	2.70%	2.93%	2.95%	2.95%
<b><u>CREDIT AND COLLECTION STATISTICS:</u></b>																				
Bad Debts as a % of Patient Revenue	1.41%	4.14%	1.85%	2.55%	1.66%	1.66%	1.53%	1.51%	1.53%	1.51%	1.53%	1.51%	1.53%	1.53%	1.51%	1.53%	1.51%	1.53%	1.51%	1.52%

### A. Holly Patterson Extended Care Facility - Resident days



	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Projected	2012 Budgeted
Days	207,257	208,574	211,386	212,049	210,743	204,858	207,522
% Change	-1.27%	0.64%	1.35%	0.31%	-0.62%	-2.79%	1.30%

**Nassau Health Care Corporation and Subsidiaries**  
**Projected Revenue & Expenses**  
**Community Health Centers**  
**Comparative**  
(In Thousands)

	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Audited FYE 12/31/2008</u>	<u>Audited FYE 12/31/2009</u>	<u>Audited FYE 12/31/2010</u>	<u>Projected FYE 12/31/2011</u>	<u>Budgeted FYE 12/31/2012</u>
<b>Operating Revenues:</b>							
Net patient service revenue	8,826	8,224	7,868	8,705	10,253	11,965	14,619
NYS Intergovernmental transfer	-	-	-	-	-	-	-
Nassau County Billings	-	51	-	-	-	-	-
Historical Mission Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Federal & State Aid	1,620	2,992	1,521	1,839	1,819	1,188	1,488
Practice Plan Revenue	-	-	-	-	-	-	-
Investment Income	82	88	42	10	15	9	-
Miscellaneous	-	-	-	-	50	14	-
<b>Total operating revenue</b>	<u>15,528</u>	<u>16,355</u>	<u>14,431</u>	<u>15,554</u>	<u>17,137</u>	<u>18,176</u>	<u>21,107</u>
<b>Operating Expenses:</b>							
Salaries	8,830	9,795	9,735	9,534	8,609	7,082	7,272
Fringe Benefits	2,903	3,124	3,240	3,244	3,108	2,826	3,517
Supplies	336	460	421	327	524	595	892
Expenses	2,013	2,351	2,873	2,805	2,464	3,178	4,322
Utilities	254	151	195	230	272	313	344
Depreciation Expense	40	45	55	72	396	705	720
Interest & Amortization	328	343	431	402	371	360	348
Bad Debt Expense	2,376	2,511	2,925	2,910	2,729	3,221	3,462
<b>Total operating expenses</b>	<u>17,080</u>	<u>18,780</u>	<u>19,875</u>	<u>19,524</u>	<u>18,473</u>	<u>18,280</u>	<u>20,877</u>
<b>Gain (Loss) From Operations</b>	<u>(1,552)</u>	<u>(2,425)</u>	<u>(5,444)</u>	<u>(3,970)</u>	<u>(1,336)</u>	<u>(104)</u>	<u>230</u>
<b>Other Operating Items:</b>							
Other Post Employment Benefits	-	(1,329)	(1,275)	(1,232)	(1,333)	(1,296)	(1,308)
Change in Derivative Instruments	105	(215)	(999)	657	(233)	(575)	1,375
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-
Amortization of Refunding Loss	(71)	(70)	(69)	(70)	(69)	(72)	(67)
<b>Total Other Operating Items</b>	<u>34</u>	<u>(1,614)</u>	<u>(2,343)</u>	<u>(645)</u>	<u>(1,635)</u>	<u>(1,943)</u>	<u>-</u>
<b>Net income (loss)</b>	<u>(1,518)</u>	<u>(4,039)</u>	<u>(7,787)</u>	<u>(4,615)</u>	<u>(2,971)</u>	<u>(2,047)</u>	<u>230</u>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Community Health Centers**

**For the twelve months ended 12/31/12**

(In Thousands)

	<b>2012 Budgeted</b>												<b>2012</b>	<b>Projected FYE</b>	<b>Audited FYE</b>
	<b><u>JAN</u></b>	<b><u>FEB</u></b>	<b><u>MAR</u></b>	<b><u>APR</u></b>	<b><u>MAY</u></b>	<b><u>JUN</u></b>	<b><u>JUL</u></b>	<b><u>AUG</u></b>	<b><u>SEP</u></b>	<b><u>OCT</u></b>	<b><u>NOV</u></b>	<b><u>DEC</u></b>	<b><u>TOTAL</u></b>	<b><u>12/31/2011</u></b>	<b><u>12/31/2010</u></b>
<b>Operating Revenues:</b>															
Net patient service revenue	1,183	1,183	1,283	1,233	1,283	1,233	1,220	1,319	1,133	1,233	1,133	1,183	14,619	11,965	10,253
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	417	417	417	417	417	417	417	417	416	416	416	416	5,000	5,000	5,000
Federal & State Aid	124	124	124	124	124	124	124	124	124	124	124	124	1,488	1,188	1,819
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	9	15
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	14	50
<b>Total operating revenue</b>	<b>1,724</b>	<b>1,724</b>	<b>1,824</b>	<b>1,774</b>	<b>1,824</b>	<b>1,774</b>	<b>1,761</b>	<b>1,860</b>	<b>1,673</b>	<b>1,773</b>	<b>1,673</b>	<b>1,723</b>	<b>21,107</b>	<b>18,176</b>	<b>17,137</b>
<b>Operating Expenses:</b>															
Salaries	618	558	618	598	618	598	618	618	598	618	598	614	7,272	7,082	8,609
Fringe Benefits	290	261	289	298	307	295	306	305	291	298	285	292	3,517	2,826	3,108
Supplies	76	68	76	73	76	73	76	76	73	76	73	76	892	595	524
Expenses	367	332	367	355	367	355	367	367	355	367	355	368	4,322	3,178	2,464
Utilities	29	26	29	28	29	28	29	29	28	29	28	32	344	313	272
Depreciation Expense	60	60	60	60	60	60	60	60	60	60	60	60	720	705	396
Interest & Amortization	29	29	29	29	29	29	29	29	29	29	29	29	348	360	371
Bad Debt Expense	278	278	306	292	306	292	292	320	264	292	264	278	3,462	3,221	2,729
<b>Total operating expenses</b>	<b>1,747</b>	<b>1,612</b>	<b>1,774</b>	<b>1,733</b>	<b>1,792</b>	<b>1,730</b>	<b>1,777</b>	<b>1,804</b>	<b>1,698</b>	<b>1,769</b>	<b>1,692</b>	<b>1,749</b>	<b>20,877</b>	<b>18,280</b>	<b>18,473</b>
<b>Gain (Loss) From Operations</b>	<b>(23)</b>	<b>112</b>	<b>50</b>	<b>41</b>	<b>32</b>	<b>44</b>	<b>(16)</b>	<b>56</b>	<b>(25)</b>	<b>4</b>	<b>(19)</b>	<b>(26)</b>	<b>230</b>	<b>(104)</b>	<b>(1,336)</b>
<b>Other Operating Items:</b>															
Other Post Employment Benefits	(109)	(109)	(109)	(109)	(109)	(109)	(109)	(109)	(109)	(109)	(109)	(109)	(1,308)	(1,296)	(1,333)
Change in Derivative Instruments	115	115	115	115	115	115	115	114	114	114	114	114	1,375	(575)	(233)
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(5)	(5)	(5)	(5)	(5)	(67)	(72)	(69)
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,943)</b>	<b>(1,635)</b>
<b>Net income (loss)</b>	<b>(23)</b>	<b>112</b>	<b>50</b>	<b>41</b>	<b>32</b>	<b>44</b>	<b>(16)</b>	<b>56</b>	<b>(25)</b>	<b>4</b>	<b>(19)</b>	<b>(26)</b>	<b>230</b>	<b>(2,047)</b>	<b>(2,971)</b>

**Nassau Health Care Corporation and Subsidiaries**  
**Key Operating Statistics**  
**Community Health Centers**  
For the twelve months ended 12/31/12

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Proj.	2012 Budgeted												TOTAL
							JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
<b><u>AMBULATORY VISITS</u></b>																			
Elmont	8,924	8,899	10,176	9,892	9,764	9,706	823	823	905	864	905	864	864	946	782	864	782	821	10,243
Freeport	15,704	16,768	20,746	26,740	22,731	23,659	1,302	1,302	1,432	1,367	1,432	1,367	1,367	1,497	1,236	1,367	1,236	1,299	16,204
Hempstead	18,228	17,919	22,059	18,636	19,493	16,703	2,119	2,119	2,331	2,224	2,331	2,224	2,224	2,437	2,014	2,224	2,014	2,117	26,378
Inwood	2,473	2,678	1,589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Beach	630	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Cassel	18,388	21,632	23,184	22,463	20,835	20,313	1,702	1,702	1,872	1,787	1,872	1,787	1,787	1,958	1,617	1,787	1,617	1,705	21,193
Roosevelt	1,068	1,231	1,143	757	563	555	59	58	64	60	64	60	-	-	55	61	55	59	595
Topic House	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	65,415	69,128	78,897	78,488	73,386	70,936	6,005	6,004	6,604	6,302	6,604	6,302	6,242	6,838	5,704	6,303	5,704	6,001	74,613
<b><u>LABOR STATISTICS:</u></b>																			
Full-Time Equivalent (FTE) Total	94.9	107.4	114.9	112.4	106.7	101.4	109.0	109.0	109.0	109.0	109.0	109.0	109.0	109.0	109.0	109.0	109.0	109.0	109.0
Labor Cost Per Man Hour	67.40	65.60	61.58	62.01	59.86	53.69	53.83	51.90	53.77	54.89	54.84	54.71	54.78	54.72	54.46	54.31	54.09	53.71	54.18
Payroll as a % of Patient Revenue	132.94%	157.09%	164.91%	146.79%	114.28%	82.81%	76.75%	69.23%	70.69%	72.67%	72.10%	72.42%	75.74%	69.98%	78.46%	74.29%	77.93%	76.58%	73.80%
Overtime as a % of Payroll	0.83%	1.23%	1.36%	0.61%	0.38%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
<b><u>CREDIT AND COLLECTION STATISTICS:</u></b>																			
Bad Debts as a % of Patient Revenue	26.92%	30.53%	37.18%	33.43%	26.62%	26.92%	23.50%	23.50%	23.85%	23.68%	23.85%	23.68%	23.93%	24.26%	23.30%	23.68%	23.30%	23.50%	23.68%

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Physician Faculty Practice Plan**

**Comparative**

(In Thousands)

	<u>Audited FYE 12/31/2006</u>	<u>Audited FYE 12/31/2007</u>	<u>Audited FYE 12/31/2008</u>	<u>Audited FYE 12/31/2009</u>	<u>Audited FYE 12/31/2010</u>	<u>Projected FYE 12/31/2011</u>	<u>Budgeted FYE 12/31/2012</u>
<b>Operating Revenues:</b>							
Net patient service revenue	18,188	17,468	19,143	21,275	23,237	23,709	23,400
NYS Intergovernmental transfer						-	-
Nassau County Billings						-	-
Historical Mission Payments						-	-
Federal & State Aid						-	-
Practice Plan Revenue	(8,115)	(7,243)	(7,500)	(9,490)	(11,918)	(10,578)	(13,262)
Investment Income	135	150	135	115	108	106	72
Miscellaneous	-	-	-	-	-	-	-
<b>Total operating revenue</b>	<u>10,208</u>	<u>10,375</u>	<u>11,778</u>	<u>11,900</u>	<u>11,427</u>	<u>13,237</u>	<u>10,210</u>
<b>Operating Expenses:</b>							
Salaries	7,995	7,854	8,998	8,926	8,613	9,745	7,692
Fringe Benefits	261	294	303	350	338	975	768
Supplies						-	-
Expenses	1,952	2,227	2,477	2,624	2,476	2,517	1,750
Utilities						-	-
Depreciation Expense						-	-
Interest & Amortization						-	-
Bad Debt Expense	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<u>10,208</u>	<u>10,375</u>	<u>11,778</u>	<u>11,900</u>	<u>11,427</u>	<u>13,237</u>	<u>10,210</u>
<b>Gain (Loss) From Operations</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Operating Items:</b>							
Other Post Employment Benefits	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-
<b>Total Other Operating Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net income (loss)</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Physician Faculty Practice Plan**

For the twelve months ended 12/31/12

(In Thousands)

	2012 Budgeted												2012	Projected FYE	Audited FYE
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2011	12/31/2010
<b>Operating Revenues:</b>															
Net patient service revenue	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	23,400	23,709	23,237
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	(1,001)	(1,051)	(1,051)	(1,051)	(1,051)	(1,151)	(1,151)	(1,151)	(1,151)	(1,151)	(1,151)	(1,151)	(13,262)	(10,578)	(11,918)
Investment Income	6	6	6	6	6	6	6	6	6	6	6	6	72	106	108
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating revenue</b>	<b>955</b>	<b>905</b>	<b>905</b>	<b>905</b>	<b>905</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>10,210</b>	<b>13,237</b>	<b>11,427</b>
<b>Operating Expenses:</b>															
Salaries	641	641	641	641	641	641	641	641	641	641	641	641	7,692	9,745	8,613
Fringe Benefits	64	64	64	64	64	64	64	64	64	64	64	64	768	975	338
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	250	200	200	200	200	100	100	100	100	100	100	100	1,750	2,517	2,476
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>955</b>	<b>905</b>	<b>905</b>	<b>905</b>	<b>905</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>10,210</b>	<b>13,237</b>	<b>11,427</b>
<b>Gain (Loss) From Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Operating Items:</b>															
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Nassau Health Care Corporation and Subsidiaries**

**Projected Revenue & Expenses**

**Nassau Health Care Corp, LTD.**

**Comparative**

(In Thousands)

	<b>Audited FYE <u>12/31/2006</u></b>	<b>Audited FYE <u>12/31/2007</u></b>	<b>Audited FYE <u>12/31/2008</u></b>	<b>Audited FYE <u>12/31/2009</u></b>	<b>Audited FYE <u>12/31/2010</u></b>	<b>Projected FYE <u>12/31/2011</u></b>	<b>Budgeted FYE <u>12/31/2012</u></b>
<b>Operating Revenues:</b>							
Net patient service revenue	-	-	-	-	-	-	-
NYS Intergovernmental transfer	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-
Investment Income	1,241	1,665	1,034	560	515	864	996
Miscellaneous	<u>7,429</u>	<u>7,803</u>	<u>8,945</u>	<u>9,468</u>	<u>9,235</u>	<u>9,400</u>	<u>8,993</u>
<b>Total operating revenue</b>	<u>8,670</u>	<u>9,468</u>	<u>9,979</u>	<u>10,028</u>	<u>9,750</u>	<u>10,264</u>	<u>9,989</u>
<b>Operating Expenses:</b>							
Salaries	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Expenses	17,718	11,700	14,582	9,551	9,365	9,400	8,993
Utilities	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<u>17,718</u>	<u>11,700</u>	<u>14,582</u>	<u>9,551</u>	<u>9,365</u>	<u>9,400</u>	<u>8,993</u>
<b>Gain (Loss) From Operations</b>	<u>(9,048)</u>	<u>(2,232)</u>	<u>(4,603)</u>	<u>477</u>	<u>385</u>	<u>864</u>	<u>996</u>
<b>Other Operating Items:</b>							
Other Post Employment Benefits	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-
<b>Total Other Operating Items</b>	-	-	-	-	-	-	-
<b>Net income (loss)</b>	<u>(9,048)</u>	<u>(2,232)</u>	<u>(4,603)</u>	<u>477</u>	<u>385</u>	<u>864</u>	<u>996</u>

**Nassau Health Care Corporation and Subsidiaries**

**Budgeted Revenue & Expenses**

**Nassau Health Care Corp, LTD.**

**For the twelve months ended 12/31/12**

(In Thousands)

	2012 Budgeted												2012	Projected	Audited
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	12/31/2011	12/31/2010
<b>Operating Revenues:</b>															
Net patient service revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NYS Intergovernmental transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nassau County Billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historical Mission Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal & State Aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Practice Plan Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	83	83	83	83	83	83	83	83	83	83	83	83	996	864	515
Miscellaneous	749	749	749	749	749	749	749	750	750	750	750	750	8,993	9,400	9,235
<b>Total operating revenue</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>833</b>	<b>833</b>	<b>833</b>	<b>833</b>	<b>833</b>	<b>9,989</b>	<b>10,264</b>	<b>9,750</b>
<b>Operating Expenses:</b>															
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fringe Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses	749	749	749	749	749	749	749	750	750	750	750	750	8,993	9,400	9,365
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>749</b>	<b>749</b>	<b>749</b>	<b>749</b>	<b>749</b>	<b>749</b>	<b>749</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>8,993</b>	<b>9,400</b>	<b>9,365</b>
<b>Gain (Loss) From Operations</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>996</b>	<b>864</b>	<b>385</b>
<b>Other Operating Items:</b>															
Other Post Employment Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants for Capital Asset Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Retro Rate Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of Refunding Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Operating Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income (loss)</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>996</b>	<b>864</b>	<b>385</b>