

CarePoint Health Mission Statements and Overview - Bayonne Medical Center

Bayonne Medical Center offers acute care and emergency services to a large, underserved population in Hudson County. Hudson County is among the top communities for percentage of adults and children living at and below the national poverty level. As a result, the mix of patient population is heavily weighted towards Medicaid, self-pay, and charity care patients. About 25% of inpatient services, Emergency Department visits, clinic visits, and surgeries, are provided to patients that cannot afford to fully pay for the cost of these services, and because of the payer mix and significantly lower patient volumes.

Bayonne Medical Center is a 261-bed, fully accredited, acute care hospital serving close to 100,000 patients annually in the greater Hudson County community. Since opening its doors more than a century ago, a modest building on Avenue E, Bayonne Medical Center has moved its location and continually grows to provide quality, comprehensive, community-based healthcare services. For well over a century, it has cultivated a hallmark of excellence and innovation through its ever-growing continuum of quality health care services. Specialties include its groundbreaking Vascular Institute, Endoscopy and surgical oncology, cancer care, emergency services, diagnostic laboratory, radiology, surgery, senior services, psychiatric and more. Among New Jersey's premier health care providers, Bayonne Medical Center is staffed by an elite team of doctors, clinicians, and support personnel, while offering revolutionary treatments and an unparalleled collection of advanced medical and communications technologies - from the world's most sophisticated digital mammography system to breakthrough surgical techniques.

Bayonne Medical Center is accredited by the Joint Commission, the American College of Surgeons for Cancer Care, the American Diabetes Association, the College of American Pathologists, the American Association of Blood Banks, the American College of Radiology and the Medical Society of New Jersey.

CarePoint Health - Bayonne Medical Center
Statement of Operations
DRAFT - (unaudited)
(in thousands)

Part I

	<u>Dec. 31 2019</u>	<u>Dec. 31, 2020</u>
<u>Operating Revenues</u>		
Net patient service revenue	\$ 141,037	\$ 123,688
Other operating revenue	1,600	14,522
Charity Care	1,062	801
Total Revenues	<u>143,699</u>	<u>139,011</u>
<u>Operating Expenses</u>		
Salaries and wages	53,444	56,499
Supplies/Other Expenses	82,075	76,218
Employee benefits	9,359	8,807
Total Operating Expenses before Interest, Depreciation & Amortization	<u>144,878</u>	<u>141,524</u>
Operating Income / (Loss) before Interest, Depreciation & Amortization	<u>(1,179)</u>	<u>(2,513)</u>
Interest Expense	5,494	4,839
Depreciation and Amortization	6,688	6,606
Total Interest, Depreciation & Amortization	<u>12,182</u>	<u>11,446</u>
Net Income (Loss)	<u>\$ (13,361)</u>	<u>\$ (13,958)</u>
Total Assets	116,707	161,007
Total Liabilities	68,990	127,247
Equity	47,718	33,760

CarePoint Health - Bayonne Medical Center
DRAFT- Top 5 Independent Contractors
Dcember 31, 2020

		<u>Amount</u>
Jersey Shore Nursing Agency	Staffing	1,049,158.48
Hudson Radiology	Radiology Support	550,000.00
Moszczynski, Zbigniew	Physician	325,200.00
Jackson Therapy Partners LLC	Physical Therapy	316,253.58
Physician contracts	Physician	304,990.00
Total # of 1099's		103
Total # over \$100K		19
# of W2's		997

CarePoint Health - Bayonne Medical Center
DRAFT - Part VI

Board - Voting Members	3
Independent members	1

Section B - Policies

12a - written policies	yes
13 - whistleblower	yes
14-Document retention	yes

CarePoint Health - Bayonne Medical Center
Financial Statement Schedules
Part VIII DRAFT - Statement of Revenue
(in thousands)

	<u>Dec. 31 2019</u>	<u>Dec. 31, 2020</u>
<u>Program Service Revenue</u>		
Net patient service revenue	\$ 139,515	\$ 123,964
Other operating revenue	1,522	14,522
Total Revenues	<u>\$ 141,037</u>	<u>\$ 138,486</u>

CarePoint Health - Bayonne Medical Center
Financial Statement Schedules
Part IX DRAFT - Statement of Functional Expenses
(in thousands)

Dec 31, 2020

Part IX Statement of Functional Expenses	Total	Program Service Expenses	Management & General Expenses
Salaries, Wages, and Contract Labor	\$ 56,499	\$ 45,199	\$ 11,300
Fringe Benefits	8,807	7,045	1,761
Purchased Services	11,915	9,532	2,383
Revenue Cycle Fees	4,581	4,581	-
Physician Directorships and other Physician Costs	3,557	2,845	711
Physician Practices Expense	14,418	11,534	2,884
Property Taxes	1,331	1,065	266
Medical Surgical Supplies	12,709	12,709	-
Liability and Workers Compensation Insurance	2,332	1,866	466
Rent, Maintenance, Repairs	2,867	2,293	573
Utilities	1,289	1,031	258
Pharmaceuticals	4,559	4,559	-
Administrative Support Services	13,589	10,872	2,718
All Other Supply	3,071	2,457	614
Interest Expense	4,839	-	4,839
Depreciation Expense	6,606	-	6,606
Total Expense	\$ 152,969	\$ 117,589	\$ 35,381

CarePoint Health - Bayonne Medical Center
2020 Schedule D
Part VI DRAFT - Land, Buildings and Equipment

	Cost or other basis (other)	Accumulated Depreciation	Book Value
1a Land	\$ -	\$ -	\$ -
b Buildings	77,203,658	51,627,672	25,575,986
c Leasehold Improvements	12,016,079	12,016,079	-
d Equipment	33,528,517	29,380,209	4,148,308
e Other	3,263,253	-	3,263,253
Total	126,011,507	93,023,960	32,987,548
Intangibles	-	-	-
Total	\$ 126,011,507	\$ 93,023,960	\$ 32,987,548

CarePoint Health - Bayonne Medical Center**Balance Sheets****DRAFT - (unaudited)****(in thousands)**

	<u>Dec. 31 2019</u>	<u>Dec. 31, 2020</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents - Unrestricted	\$ 8,345	\$ 1,035
Cash and cash equivalents - Restricted	9,105	63,084
Net Patient accounts receivable	28,237	28,018
Investments	1,074	1,074
Other receivables	3,950	3,694
Due From Related Party	23,433	24,986
Inventory & Other Assets	2,150	2,160
Prepaid expenses	2,129	3,969
Total current assets	<u>78,423</u>	<u>128,019</u>
Intangible Assets	-	-
Property and equipment, net	38,284	32,988
Total Assets, Deferred Cost & Equipment	<u>38,284</u>	<u>32,988</u>
Total Assets	<u>\$ 116,707</u>	<u>\$ 161,007</u>
 <u>Liabilities and Member's Equity</u>		
Current Liabilities:		
Current portion of Capitalized leases	\$ 3,955	\$ 5,228
Accounts payable and accrued expenses	6,594	16,583
Accrued Compensation	5,466	4,456
Due to Related Party	924	-
Loan Payable	15,960	10,068
Deferred Revenue	596	33,424
Accrued interest payable	-	-
Due to Third Party-Current Portion	54	618
Total current liabilities	<u>33,549</u>	<u>70,376</u>
Long Term Liabilities:		
Capital Lease Payable, less current portion	30,921	\$30,254
Due to Third Party, less current portion	4,520	\$26,617
Benefits Payable, less current portion	-	-
Total liabilities	<u>68,990</u>	<u>127,247</u>
Member's Equity:		
Member's Equity (deficit)	47,718	\$33,760
Total Member's Equity	<u>47,718</u>	<u>33,760</u>
Total Liabilities and Member's Equity	<u>\$ 116,707</u>	<u>\$ 161,007</u>

CarePoint Health - Bayonne Medical Center
Part XI DRAFT - Reconciliation of Equity
(in thousands)

	<u>Dec. 31, 2020</u>
Equity at beginning of period	\$ 47,718
Total Revenue	139,011
Total Expenses	<u>152,969</u>
Equity at end of period	<u><u>\$ 33,760</u></u>

CarePoint Health - Bayonne Medical Center
Part XII - DRAFT Accounting and Reporting

Part XII Financial Statements and Reporting

- | | |
|---|---------|
| 1. Accounting method used: | Accrual |
| 2a. Were the organization's financial statements compiled or reviewed by an independent accountant? | No |
| 2b. Were the organization's financial statements audited by an independent accountant? | No |
| 3a. As a result of a federal award, was the organization required to undergo and audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | No |

CarePoint Health - Bayonne Medical Center

Schedule H Part I

DRAFT - Financial Assistance and Certain Other Community Benefits at Cost

Part I

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes
b If "Yes," was it a written policy?	Yes
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.	N/A
3a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care?	No
3b Did the organization use FPG as a factor in determining eligibility for providing discounted care?	Yes
If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:	Other-no Insurance source
3c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.	Lack of insurance coverage for uninsured patients. This is not an asset test performed for discounted care.
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	No
6a Did the organization prepare a community benefit report during the tax year?	N/A

CarePoint Health - Bayonne Medical Center

Schedule H Part I

DRAFT - Financial Assistance and Certain Other Community Benefits at Cost

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	Total community benefit expense	Direct offsetting revenue	Net community benefit expense	Net community benefit expense	percent of total expense
7a - Financial Assistance	5,116,614	799,363	(4,317,251)	0	0
7b - Medicaid	44,715,310	29,203,979	(15,511,331)	0	0
7c - Costs of other	N/A	N/A	N/A	N/A	N/A
7d - Total	49,831,924	30,003,342	(19,828,582)	0	0

Part III Medicare & Collection Practices

Section B. Medicare

5 - Total Medicare Revenue	41,635,593
6 - Total Medicare Costs	42,983,851
7 - Medicare Surplus(Shortfall)	(1,348,258)
8 - Question on Cost Methodology	Cost to charge ratio

Section C. Collection Expense

- 9a Did the organization have a written debt collection policy during the tax year? Yes
- b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Yes

Part V

Section B. Facility Policies and Practices

- 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediate preceding tax year? No
- 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? No
- 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? N/A
- 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? N/A
- Did the hospital facility have in place during the tax year a written financial assistance policy that:
- 13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? Yes

CarePoint Health - Bayonne Medical Center

Schedule H Part I

DRAFT - Financial Assistance and Certain Other Community Benefits at Cost

	Insurance Status
If "Yes," indicate the eligibility criteria explained in the FAP	
14 Explained the basis for calculating amounts charged to patients?	Yes
15 Explained the method for applying for financial assistance?	No
16 Was widely publicized within the community served by the hospital facility?	No
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	Yes
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:	
a. Reporting to credit agency(ies)	
b. Selling an individual's debt to another party	
c. Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous	
d. Actions that require a legal or judicial process bill for care covered under the hospital facility's FAP	
e. Other similar actions	
f. None of these actions or other similar actions were permitted	X
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	No
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19.	Made presumptive eligibility determinations
21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	Yes

CarePoint Health - Bayonne Medical Center
Schedule L Part II
DRAFT - Transactions With Interested Persons

a) Name of interested person	Maple Healthcare, LLC
b) Relationship with Organization	Common Ownership
c) Purpose of loan	Working capital
d) Loan to organization:	To
e) Original Principal Amount	\$8,341,726
f) Balance due (including accrued/pik interest)	\$10,067,994
h) Approved by board or committees	Yes
i) Written agreement	Yes

CarePoint Health - Bayonne Medical Center
Schedule R Part IV
DRAFT -Related Organizations Taxable as Corporations

Name and address of related organization	Primary activity	Percentage ownership	Section 512(b)(13) controlled entity?	
			Yes	No
McCabe Ambulance Service, Inc. 7 East 41st Street, Bayonne, NJ 07002	Ambulance	23.33		X